Austria	Sch22	Indonesia	Rp3300	Philippines	Peso60
Bahrain	Din0.650	Iran	Rial160	Portugal	Esc120
Belgium	BFr48	Israel	NS3.50	S.Arabia	Rls7.00
Canada	C$1.00	Italy	L1700	Singapore	S$4.10
Cyprus	C£0.90	Japan	Y600	Spain	Pta145
Denmark	DKr10.00	Jordan	Fils.500	Sri Lanka	Rup30
Egypt	E£2.25	Kuwait	Fils.500	Sweden	SKr9.00
Finland	Fmk7.00	Lebanon	£L250.00	Switz	SFr2.30
France	FFr7.00	Lux	LFr48	Taiwan	NT$85
Germany	DM2.30	Malaysia	Rm4.25	Thailand	Bht50
Greece	Dr120	Mexico	Pes300	Tunisia	Din0.800
Hong Kong	HK$12	Morocco	Dh6.00	Turkey	L600
Iceland	Ikr125	Neth	Fl3.00	UAE	Dh6.50
India	Rsp15	Norway	Nkr10.00	USA	$1.00

EUROPE'S BUSINESS NEWSPAPER

FINANCIAL TIMES

No.30,719 Wednesday December 14 1988 D 8523 A

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EMPLOYMENT
Europe's charter for 1992
Page 20

World News

Angola treaty opens door to Namibian independence

South Africa, Cuba and Angola signed a US-mediated treaty in Brazzaville which commits Pretoria to elections in Namibia in November next year in return for a Cuban troop withdrawal from Angola – thus ceding independence to the territory it has controlled for over 70 years. Page 20

Mexican prison fire
At least 19 inmates were killed and five injured when fire broke out at a prison in Monterrey in north Mexico.

India poll bills
Two bills were introduced in the Indian Parliament to lower the voting age to 18 and to crack down on vote rigging before national elections due by the end of 1989. State election day set, Page 4

Clashes in Warsaw
Polish riot police clashed with anti-Government demonstrators in central Warsaw on the seventh anniversary of the introduction of martial law.

US missile pull-out
The last eight US nuclear cruise missiles in Belgium were flown to a destruction site in Arizona, under the 1987 Intermediate-range Nuclear Forces treaty.

Mandela 'worse off'
Nelson Mandela is worse off and lonelier than ever, his lawyer Ismail Ayob said after the South African nationalist leader's first visit by his family since being moved from a clinic to a villa inside prison grounds near Cape Town.

Onassis drug traces
Argentine investigators said they had found traces of a sedative drug in samples taken from the body of shipping millionairess Christina Onassis, who died on November 19.

Vietnam troop cuts
Vietnam announced demobilisation of more than 300,000 soldiers from its 1.3m strong army, including some due to be withdrawn from Kampuchea next week. Page 4

Gulf talks hope
UN Secretary-General Javier Perez de Cuellar said he hoped the Gulf peace talks – adjourned on November 11 – would resume in January.

Sri Lanka jail break
Sri Lankan rebels lobbed grenades into Colombo central prison and freed up to 32 political prisoners; at least two prisoners were killed in the raid.

Jewish settler killed
A Palestinian grabbed a gun from a Jewish settler near Nablus in the occupied West Bank and killed the settler and another Israeli before being shot dead by Israeli soldiers. Beirut clashes, Page 4

Korea prisoner plan
Park Jun Kyu, chairman of South Korea's ruling Democratic Justice Party, said the Government would free all but about 10 per cent of its estimated 754 political prisoners by Christmas. Page 4

Caviar under threat
The Soviet Union's Volga-Caspian basin, source of most of the world's supplies of caviar, is facing an "ecological disaster" unless urgent action is taken to stop pollution, according to a top Soviet biologist. Page 2

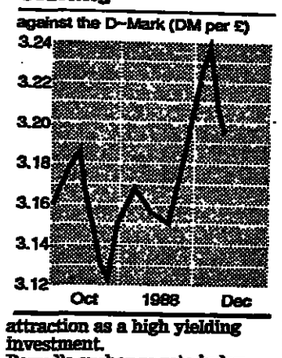
Business Summary

Genentech forecasts loss on poor biotech sales

GENENTECH, premier US biotechnology company, says it will report loss in current quarter because of disappointing sales of its main heart drug, known as t-PA or Activase. Announcement indicates difficulties facing fledgling biotech industry as hopes of wonder drugs have not materialised. Page 21

STERLING continued to lose ground as institutional investors took profits before year-end and in reaction to fears that possible rise in West German and US interest rates could compromise sterling's attraction as a high yielding investment.

Sterling
against the D-Mark (DM per £)



Pound's exchange rate index fell to 77.8 from 78.0 at the opening and 78.2 on Monday. Against D-Mark, it fell below DM3.20 to finish at DM3.1950, regarded as a key support level. Page 42

THORN EMI, UK retail and technology group, confirmed preliminary agreement to sell its Inmos semiconductor subsidiary to SGS-Thomson, Europe's second largest semiconductor maker. Page 21

LONRHO, mining to car distribution conglomerate, failed to win temporary order in British High Court freezing 95.02m of its shares held by companies controlled by Australian entrepreneur Alan Bond. Page 21

FRENCH construction companies Bouygues, Dumez, Spie Batignolles, SGE and SAE, building the Channel tunnel, acknowledged the project was five to six months behind schedule, but said they were not wholly to blame. Page 2

MEXICO is to adjust its exchange rate downwards by one peso a day against the dollar during first half of 1989 as part of an economic package extending stabilisation and restructuring programme for further six months. Page 3

VOLKSWAGEN, West German motor group, expects group turnover to show rise of around 7 per cent, to nearly DM59bn ($34bn) in 1988. Company denied reported plans to shed 14,000 workers by 1992. Page 22

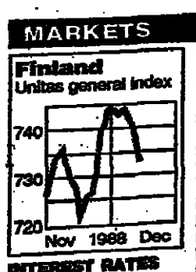
RACAL Electronics of the UK is talking to several defence companies in UK and Europe about selling or merging its £140m ($260m) defence, radar and avionics businesses. Page 21

PERU's eight-week old miners' strike ended officially with agreement between Government and unions, but miners remain at odds with mineowners and there are fears the dispute could break out again. Page 20

TRELLEBORG, Swedish industrial group with interests in rubber, plastics, mining and chemicals, said it was negotiating sale of its Boliden chemicals division to Kemira, giant state-owned Finnish fertiliser and paints company. Deal would create one of biggest chemical conglomerates in Europe. Page 24

MARKETS

Finland
Unitas general index



INTEREST RATES
US lunchtime
Federal Funds 8 3/16% (8 1/2)
3-mth Treasury Bills: yield: 8.13% (8.17)
Long Bond: 100 27/32 (100 5/32) yield: 8.91% (8.95)
London
3-month interbank: close 13 3/16% (same)

STERLING
New York lunchtime
$1.8443 (1.8428)
London:
$1.828 (1.842)
DM3.195 (3.207)
FFr10.9125 (10.96)
SFr2.6875 (2.6975)
Y225 (226.25)

DOLLAR
New York lunchtime
DM1.7409 (1.7408)
FFr5.9503 (5.9515)
SFr1.4651 (1.4648)
Y122.78 (122.85)
London:
DM1.7475 (1.7405)
FFr5.97 (5.95)
SFr1.4705 (1.464)
Y123.1 (122.75)

GOLD
New York latest
Comex Feb
$424.1 (-0.5)

STOCK INDICES
New York lunchtime
Dow Jones Ind. Av.
2,155.05 (+11.55)
S&P Comp
275.24 (-1.26)
London:
FT-SE 100
1,752.6 (+4.7)
World:
138.33 (Mon)
Tokyo
Nikkei Ave
29,597.81 (-70.48)
Frankfurt
Commerzbank
1,600.3 (-7.4)

OIL
Brent 15-day (Argus)
$14.85 (-0.025) (Jan)
West Tex Crude
$18.075 (+0.14) (Jan)

PLAN PROPOSED ● SHAMIR DENOUNCES SPEECH ● US SEEKS CLARIFICATION

Arafat presses call for UN peace talks

By Victor Mallet in Geneva

MR YASSIR Arafat, leader of the Palestine Liberation Organisation (PLO), yesterday made an impassioned plea to Israel to negotiate with its Arab opponents and launched a three-point Palestinian peace proposal.

In his first speech to the United Nations General Assembly for 14 years, Mr Arafat went no further than he has already gone in recent weeks to meet Israeli and US demands, but he again condemned terrorism and accepted the existence of Israel alongside a future Palestinian state.

"I, as Chairman of the PLO, hereby once more declare that I condemn terrorism in all its forms," he said in an 80-minute address. "Come, let us make peace . . . I ask the leaders of Israel to come here, under the sponsorship of the United Nations so that, together, we can forge that peace."

Mr Yitzhak Shamir, the Israeli Prime Minister, denounced the speech as "a monumental act of deception." He told a press conference in Jerusalem that Mr Arafat's recent trail of speeches was "a mirage designed to deceive the international community with an illusion of moderation."

Israel's response was predictable, and Mr Arafat directed much of his speech towards the US and Europe. He hopes they will press Israel to withdraw from the territories occupied in the 1967 war and to allow the establishment of a small Palestinian state in the West Bank and Gaza.

The US reaction was to say that the speech did not meet conditions for a public dialogue with the PLO. "The speech contained some interesting and some positive developments but it continued to be ambiguous on the key issues, which must be clearly addressed in order for the United States to enter a substantive dialogue with the PLO," said Mr Charles Redman, the State Department spokesman.

Mr Arafat's speech attracted particular interest after the outgoing US administration refused him a visa to address the UN in New York, on the grounds that he is associated with terrorism. This week's debate on the Palestinian issue was therefore moved to Geneva at a cost of more than $600,000.

The PLO leader suggested a three-stage plan for negotiations:

- The convening of a preparatory committee, under the auspices of the UN Secretary General, for an international conference. This, said Mr Arafat, would be in line with the initiative of President Mikhail Gorbachev of the Soviet Union and President François Mitterrand of France.
- Temporary UN supervision of the territories occupied by Israel, and the deployment of international forces there to protect Palestinians and oversee an Israeli withdrawal.
- A comprehensive settlement at the peace conference, involving Israel and the newly declared – and so far symbolic – state of Palestine, as well as their Arab neighbours. This would be based on UN Resolution 242, which calls for an Israeli withdrawal, but at the same time provides all countries in the region with the right to live within secure borders.

Mr Arafat, sporting his usual battle fatigues and keffiyeh headgear, acknowledged that his old dream of a state in the whole of Palestine was no longer realistic.

Yassir Arafat: impassioned plea for peace

"We had to draw the necessary conclusion regarding the gap between this reality and the dream," he said. "We set out in the PLO to look for realistic and attainable formulas that would settle the issue on the basis of possible rather than absolute justice."

If Mr Arafat did not go as far as the US would like and "recognise Israel's right to exist," it is because the PLO leadership is under pressure from its radical factions not to make any more compromises. The PLO also wants to have some bargaining chips when it goes to any international Middle East peace conference that might materialise.

EC audit report uncovers extensive subsidies fraud

By Tim Dickson in Brussels

LARGE sums of money are being fraudulently claimed as farm subsidies by European traders, the European Community's Court of Auditors – the EC's financial watchdog – said in a report published yesterday.

The report, prepared for the European Parliament and covering the 1987 financial year, represents a serious indictment of the European Community's accounting procedures.

It is particularly scathing about the European Commission's central management controls, and highlights the way in which the EC's budgetary year has frequently been "manipulated" to disguise overspending.

"If the Community was a private company its accounts would be heavily qualified," a court official said last night.

The auditors' observations on the erratic length of the agricultural financial year – 1987, for example, was shortened to 10 months so that spending could be deferred to 1988 – are pertinent in the light of the extravagant claims made in Brussels for the package of Common Agricultural Policy reforms agreed at the February Summit.

"The political objectives . . . lose all meaning and effectiveness if the principle of the continuity of accounting procedures from one financial year to the other is not strictly observed."

The report's most dramatic findings are based on a detailed study of the system of export subsidies (or refunds) paid to European beef traders to bridge the gap between world prices and normally higher EC prices.

Among the examples cited is a trader who imported prime beef from South America described as offal in order to evade import levies, and exported offal declared as prime quality beef in order to obtain export funds. The transactions were worth Ecu16m ($19m) over two years.

On another occasion national controls had failed to detect that consignments declared to be beef were in fact chicken scraps, and that the exporters had received "irregular" refunds totalling Ecu1.4m.

Generally the report claims that checking procedures are inconsistent from country to country, and often inadequate, that exports have been made through non-approved ports, and that proofs of arrival accepted by the paying agencies have sometimes been of "dubious authenticity."

The far from defensive replies of the Commission – which are also published in the report – admit that cases of false stamps being used to discharge transit movements or to forge customs documents "are not infrequent."

EC bans book price deals, Page 8; Commodities, Page 34

Soviet earthquake chaos continues

By John Lloyd in Moscow

THE situation in Armenia grew darker yesterday as the official earthquake death toll rose from 45,000 to a provisional 55,000 and details emerged of disorganization, chaos and corruption marring rescue efforts.

Ethnic tensions between Armenians and Azeris, officially held to be dissolving after the calamity, continued unabated.

Mr Gennady Gerasimov, the foreign affairs spokesman, said yesterday that 55,000 people had died and 13,000 were injured out of the population of 700,000 in the area affected by the calamity.

Mr Samuel Pisar, a British lawyer involved in relief work, said Mr Yevgeny Chazov, the Soviet Health Minister, told him on Sunday that 70,000 people had been killed.

"Chazov told me that, as of that moment, the number of victims exceeded 70,000 – probably many more, but 70,000 dead are accounted for," said Mr Pisar on his return to London.

The newspaper Sotsialistecheskaya Indusriya reported that many villages in northern Armenia had been "wiped off the map," while other reports talk of children from these villages dying of pneumonia before help could reach them.

Westerners returning to Moscow tell of continuing chaos in the three worst-hit towns of Kirovakan, Leninakan and Spitak.

One such witness said that digging in the rubble seemed mainly to be done by survivors looking for relatives: the cranes were still inadequate to the job of lifting concrete blocks and the organisation of supply convoys out of Leninakan and Yerevan airports was dismally bad.

Mr Gerasimov sombrely admitted that "the organisation of the rescue effort does have some shortcomings . . . we were not pre-

Continued on Page 20

Ethnic crisis rumbles after quake, Page 2

IBM enlists Siemens' help to cut losses in telecom unit

By Roderick Oram in New York and Andrew Fisher in Frankfurt

IBM, the world's leading computer maker, yesterday brought in Siemens, the West German electronics group, to help achieve a turnround at Rolm, its telecommunications equipment subsidiary which has continued to run up large losses since the US group bought it four years ago for $1.5bn.

The two announced a series of broad joint ventures involving all of Rolm's assets and some of Siemens' US telecommunications business.

IBM is giving Siemens the manufacturing and product development of Rolm's equipment.

The agreement should relieve IBM of a continuing problem – analysts estimate Rolm lost $100m in the first half – while bolstering Siemens' US presence. Financial terms were not disclosed.

Mr John Akers, IBM chairman said: "IBM and Siemens technology and talents will allow customers to harness the full power of voice and data networks."

Dr Karlheinz Kaske, Siemens president, added: "This co-operation will reinforce our commitment to becoming a leading supplier of telecommunications systems in the US and strengthen our worldwide position."

After Siemens' joint bid for Plessey with GEC of the UK, the deal with IBM is further evidence of the German group's determination to build up both its US activities and its international telecommunications efforts.

Siemens has built up a turnover in the US of some $3bn, double the level of four years ago.

Its main thrust, however, has been in medical technology – where it is number two behind General Electric of the US – and energy systems. It is hardly represented in telecommunications, in contrast to its dominant domestic position.

IBM's decision to find a partner for Rolm underscores the slow progress it has made with the manufacturer of private branch exchanges (PBXs) and other telecommunications equipment.

Like many other manufacturers, IBM had expected a far faster growth in demand for such equipment to enable computers to communicate with each other.

Continued on Page 20
Lex, Page 20

Thatcher stands by Anglo-Irish accord despite row over Ryan

By Charles Hodgson in London and Kieran Cooke in Dublin

MRS MARGARET Thatcher, the British Prime Minister, yesterday strongly reaffirmed the UK Government's commitment to the Anglo-Irish agreement, despite the bitter diplomatic row with Dublin over the Irish Attorney General's refusal to extradite Mr Patrick Ryan, the Irish former priest wanted in Britain for alleged terrorist offences.

Mrs Thatcher dismissed as "a great insult to all the people of this country" the suggestion by Mr John Murray, the Irish Attorney General, that prejudicial media coverage and remarks in the House of Commons about Mr Ryan had jeopardised his chances of a fair trial in Britain.

But she also rejected criticism by backbench Conservative members of parliament of the Anglo-Irish agreement, stressing that the row with Dublin centred on Irish extradition laws, which were "clearly not working."

Britain would use the Anglo-Irish agreement to seek a commitment from Dublin for an urgent reform of those laws, Mrs Thatcher said.

The Ryan affair is set to dominate what was to have been a routine session of the Anglo-Irish intergovernmental conference in Belfast today. Mr Tom King, the UK Northern Ireland Secretary, will seek further explanation from Mr Brian Lenihan, the Irish Foreign Minister, about the basis of the Irish decision.

Mr Murray ruled that while the British authorities had satisfied Irish extradition procedures by providing sufficient evidence and showing their intention to prosecute Mr Ryan, prejudicial coverage by sections of the British media and statements in the House of Commons made it impossible for him to receive a fair trial in Britain.

"The House of Commons proceedings were widely and fully reported in the media," Mr Murray said in a 16-page statement explaining his decision. "They raised the case to a unique status and can only have intensified the impact and lasting effect on members of the public of what was being published in the written and broadcasting media.

"Further, the statements in the House of Commons must, because of their origin, carry particular weight with potential jurors," Mr Murray said.

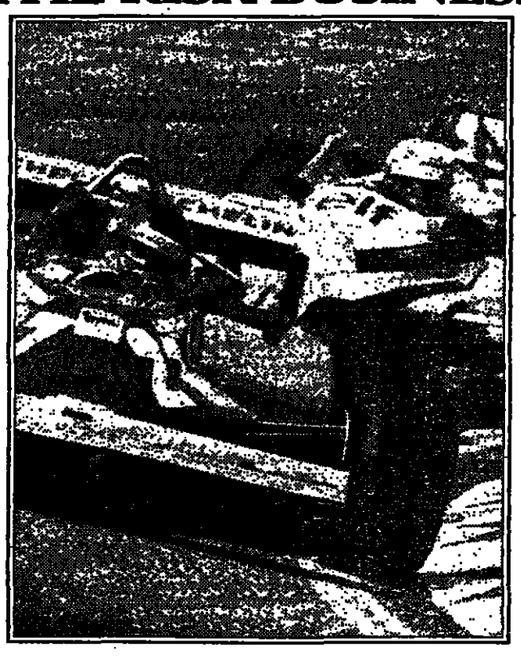
The ruling brought an angry response from Tory MPs and a sharp attack on Mrs Thatcher's handling of the affair from Mr Neil Kinnock, the opposition Labour leader.

Mr Kinnock claimed that the Prime Minister's "poisonous" criticism of the Irish Government's failure to arrest Mr Ryan on his return from Belgium had prejudiced the out-

Ruling stokes Westminster fury, Page 10

Continued on Page 20

THE RISK BUSINESS



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Spain's politics enter the bullring of public protest

Spanish Premier Felipe Gonzalez faces a general strike in protest over his Socialist Government's employment policies against a background of a prosperous economy and few choices for the electorate Page 18

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EUROPEAN NEWS

MBB and Daimler talks hit last-minute hitch

By David Goodhart in Bonn

THE long and controversial takeover negotiations between Daimler-Benz, West Germany's largest company, and Messerschmitt-Bölkow-Blohm (MBB) were again in jeopardy last night as Mr Edzard Reuter, the Daimler chairman, met Mr Gerhard Stoltenberg, the Finance Minister, and Mr Helmut Haussmann, the Economics Minister.

It remains unlikely, but by no means impossible, that the government-inspired deal will be allowed to fail.

Mr Reuter has warned all along that there is strong scepticism within Daimler about the merger and the last-minute stumbling blocks may have given fresh impetus to those who have expressed doubts about the deal.

The main difficulty is that the Free Democratic Party, the free-market junior partner in the centre-right coalition, and the most reluctant supporter of the merger in the Government, is accusing Daimler of going back on promises about treatment of losses in European Airbus – in which MBB holds the German share.

The FDP believes that the profits on MBB's military products should be taken into account before Daimler qualifies for government support for MBB's Airbus losses.

Mr Otto Lambsdorff, the new FDP chairman, and Mr Helmut Haussmann, the new FDP economics minister, are both seeking to assert their political muscle and will not allow Mr Reuter to "privatise MBB's profits and nationalise its losses", as Mr Lambsdorff put it.

The other problem is whether the Länder (state) governments with stakes in MBB will allow Mr Reuter the free hand in rationalising the company which he insists is vital.

If agreement is reached despite these two problems the deal will be sealed at a Daimler supervisory board meeting next week.

French defend tunnel delays

By Paul Betts in Paris

THE FIVE French construction companies building the Channel tunnel acknowledged yesterday the project was five to six months behind schedule, but defended themselves against complaints that they were to blame.

The companies, Bouygues, Dumez, Spie Batignolles, SGE and SAE, are members together with five British construction groups of Transmanche Link (TML), which has been contracted by the Anglo-French Eurotunnel consortium to design and build the tunnel.

The chairmen of the French construction companies expressed irritation at recent public criticisms by Eurotunnel for the delays in the construction timetable, claiming the blame ought to be shared equitably by both client and contractors.

Mr Jean-Paul Parayre, the chairman of Dumez and the former French co-chairman of the tunnel consortium, said good relations between Eurotunnel and the construction companies would be a key factor in the success of the project.

The decision of the French groups to call a press conference in Paris yesterday to state their case reflects growing tensions between Eurotunnel and the construction companies, which appear to have been especially irritated by the abrasive and outspoken manner of Mr Alistair Morton, the British co-chairman of the Anglo-French consortium.

Under the contractual agreements between Eurotunnel and the construction companies grouped in TML, only Eurotunnel is entitled to speak in public about the project. The French groups thus decided yesterday to hold a press conference at their own initiative and not as part of the TML consortium to respond to the complaints which they claim are damaging to their overall image as leading international construction concerns.

Mr Francis Bouygues, the chairman of Bouygues, underlined the instrumental role of the construction companies in promoting the original project and said: "we regret the decision which forced us to abandon our role as promoters."

Eurotunnel has criticised the management of Transmanche for tunnelling delays which the consortium claims are responsible for increasing the cost of the £4.7bn project by more than £100m. But Mr Parayre argued yesterday that Eurotunnel was late in putting together the financing for the project which in turn caused delays in the ordering of key equipment.

Other reasons for the delays have been teething problems with tunnel-boring machines and more difficult than expected geological conditions on both sides of the Channel.

Mr Parayre said the construction companies would make every effort to catch up the 5-6 month delay.

Mr Parayre said 1500 metres had so far been dug on the French side, of which 750 were under the seabed. On the UK side, about 5,000 metres had been dug, of which about 4,300 were under water.

He also confirmed there were discussions between Eurotunnel and TML over penalties for construction timetable delays, but added it was not normal to disclose in public differences which were "part of the normal course of business relations".

Ethnic crisis rumbles on after quake

John Lloyd on the Armenians' continuing hostility to Azerbaijan

LESS THAN a week after an earthquake whose death toll still climbs, it has not had the one benign effect which the Soviet leadership quickly forecast for it – that of damping down the ethnic strife between Armenians and Azerbaijanis. What has happened is that the central and local authorities have got tougher. On December 6, the day before the earthquake, a meeting of the Armenian Communist Party Politburo censured the Ministry of Internal Affairs for not embarking on "decisive measures to stop clashes along nationality lines."

Four days later, on Saturday 10, KGB officers moved to correct their former laxity, arresting five of the 12-man Karabakh Committee, the group which has done most to keep up the pressure for the Armenian enclave of Nagorno Karabakh to be taken out of control of Azerbaijan, on whose territory it is.

Also on Saturday, police broke up a pro-Karabakh rally in Yerevan, Armenia's capital, by firing into the air. A day later, they arrested two further activists from the harder-line Armenian Self Defence Group. Unconfirmed reports said four of the five Karabakh Committee members have since been released.

There have been no further arrests and no further demonstrations, Karabakh Committee members said last night. This is because, they say, people know that the police will use force, even shooting, against future manifestations of this kind.

The curfew, briefly lifted after the earthquake, has been reimposed on Yerevan. From Baku, the word is that anti-Armenian slogans are still flaunted: and those Armenians in the city who wish to leave now cannot. This prohibition is presumably in response to Mr Mikhail Gorbachev's call to the Armenian and Azeri Communist Parties to stop all further flight by Armenians and Azeris because of the huge problem the refugees pose for a shattered economy. Mr Gorbachev himself appears unpopular with the Armenian nationalists. "He has speculated on the disaster," said a Karabakh Committee supporter last night. "He hoped it would stop the struggle, but it is too deep for that."

Soviet officials, from Mr Gorbachev down, appear genuinely angered and distressed that this is so, and they attempt to pin the blame on a handful of "ambitious adventurers," some of whom they have arrested.

But the evidence is that it is more diffuse than that. A large section of Armenian society seems to bee irremediably hostile to the Azeris, who in turn feel the same about Armenians.

A graphic insight into the thinking of the Armenians is provided by a letter written by the Armenian Union of Writers to the USSR union of which it is a part, in reply to an appeal for them to show "wisdom and magnanimity."

This, said the Armenian reply in the curtest ofterms, was out of the question: the Sumgait massacres of February 1988 (in which 31 Armenians died at the hands of Azeris) "is now knocking on the doors of all Armenians in Azerbaijan, it is a replay of the 1915 genocide (at the hands of the Turks) which took over 1.5m lives – nearly half of the Armenian people."

Armenians, said the writers, were again being killed because of their race. In a passage of both force and violence, it went on: "It is said that there is no such thing as an evil nation. It is true that all nations deserve respect, irrespective of what stage of their historical development they may have reached. But it is also impossible to disagree that every nation has its dregs. And the stunning discovery of 1988 was that there are nations incapable of distancing themselves from their own dregs."

Moscow aims to avert price rise backlash

By Quentin Peel in Moscow

THE Soviet Union is planning to pay direct compensation to consumers to offset the politically-destabilising effects of price rises under its long-promised price reforms, according to a leading economic commentator.

The aim is apparently to switch some of the massive subsidies currently paid on food prices and other essential goods and services - totalling Roubles 108bn in next year's budget – into direct payments to protect Mr Mikhail Gorbachev's regime against a huge popular backlash.

However, the Soviet central planning authorities have also been sharply criticised for their delay in publishing the price reform proposals for public debate, and in releasing reliable information to enable that debate to take place.

Details of the thinking of reformers in the ruling Communist Party were revealed by Mr Otto Latsis, deputy editor of Kommunist, the Central Committee ideological journal, in an interview with the newspaper Sovietskaya Kultura.

He also stated flatly that the aim of the reform was to "change the structure of demand", to balance supply and demand, and end the chronic shortages plaguing the Soviet economy.

Without such a reform, he said, it would be impossible to raise the productivity of Soviet workers, for it would always be more profitable to moonlight in the black economy, exploiting shortages, than to work harder for bonuses in the official system.

Compensation for price rises, he said, "is to be paid in order to observe social equality". It would therefore be biased in favour of the low-paid.

"I think that an equal amount of compensation should be paid to all, not in percentages of one's salary or pension, but in roubles, based on the average consumer."

Thus a common level of compensation would be paid for an increase in meat prices, based on the average annual consumption of meat – some 64 kilos per year. Low-paid workers who might be expected normally to consume less would therefore benefit relatively more than the higher-paid, who normally buy more than the average.

Mr Latsis admitted that simultaneously raising prices and salaries had been tried in Hungary 12 years ago, and he rejected criticism that the reforms had provoked the economic crisis in that country.

"The difficulties they face now are connected with mistakes made in other spheres and the fact that it is a small country with few natural resources," he said.

"The aim of restructuring retail prices must be market balance. Speculation, our home-grown mafia, all these are the results of imbalance."

Optimism drives out German Angst

By Andrew Fisher in Frankfurt

IT may not be too apparent on Frankfurt's wintry streets, but broad smiles are starting to break out on the faces of West Germany's mostly prosperous citizens. Optimism, it seems, is in fashion and Angst has been banished, at least for a time.

Never before, or at least not for nearly 40 years, have there been so many optimists in the country. That conclusion was reached by the Wickert Institute, a leading opinion research organisation. It found that almost one in four people expected 1989 to turn out better than 1988.

Wickert has carried out this end-of-year poll since 1951. Usually, said Mr Günter Wickert, head of the institute, the proportion of optimists is around 15 per cent. Not surprisingly, it was at its lowest in the early 1950s before the post-war economic revival was really under way.

But this time, 24 per cent of those canvassed said they were more positive about the coming year. Why? The main reasons given were continued economic growth, the fact that world peace looked more secure, people's growing consciousness of the environment, and high living standards.

Only 5 per cent of the 3,410 people quizzed in both years thought next year would be worse than this one. A year ago, the pessimists accounted for 12 per cent, the same as the optimists. The number of those resignedly expecting no change has diminished from 76 to 71 per cent.

Mr Wickert thought the level of optimism was somewhat exaggerated, however, especially when related to the "Gorbachev factor". Noting that the intentions of the Soviet leader still had to show results, he added: "We were very surprised that the euphoria was so strong".

Ironically, the rise in optimism comes as economic growth is expected to slow next year.

Speculation over Lombard rate rise

By Andrew Fisher in Frankfurt

SPECULATION that the Bundesbank, the West German central bank, could raise its Lombard emergency funding rate by half a point to 5.5 per cent this week continued yesterday, but dealers were mostly holding their breath in the hope that today's events in Germany and the US would provide a clearer picture.

The Bundesbank yesterday announced another securities repurchase tender on an auction basis under which banks have to pay the rate they bid rather than an average worked out from all bids.

The terms of the allocation will be announced today, indicating how far the Bundesbank is prepared to go in tightening monetary policy.

Also eagerly awaited by the market today are the US trade figures for October. If these show a higher deficit than expected – market estimates are for around $9bn, but Phillips and Drew, the UK stockbrokers, are going for $10.5bn – then the US Federal Reserve Bank could be prompted into raising its discount rate to prevent a fall in the dollar. "Under that scenario, it would be quite easy to see a Lombard rate increase," said Mr Mushtaq Shah, an economist with Phillips and Drew.

But he and other economists did not see this as inevitable and certainly not this week. Also, it could provoke political opposition from abroad.

The Bundesbank's policy-making council meeting tomorrow will have to take the full range of domestic and external factors into account in deciding whether or not to restore the usual 2.0 percentage point differential between the German discount and Lombard rates and in setting its money supply target range for next year.

Market opinion yesterday remained divided on whether the Bundesbank would put up the Lombard rate tomorrow. Call money edged over the 5 per cent level at which the Lombard rate stands.

With money supply growth above the 3-6 per cent target range again this year and inflation edging towards 2 per cent, pressure for a rate rise has been growing among the most determined of anti-inflationists.

Tug-of-war over use of EC budget savings

By David Buchan in Strasbourg

A TUG-OF-WAR has developed over whether the European Community's exceptional Ecu3.8bn (£2.5bn) budget savings for 1988-89 should go in part in Third World food aid, or in their entirety into member states' coffers.

In its final debate on the Community's 1989 budget, the European Parliament budget committee yesterday recommended to the assembly that it restore Ecu39m to the food aid budget which the EC Council of Ministers had earlier cut back.

The parliament, which has the last say on this category of spending, will vote the 1989 budget into law tomorrow.

The logic of the food aid request, supported by all major political groups, is that the same increase in world food prices that has narrowed the gap with EC food prices and so saved Brussels millions of ecus in export subsidies, has hit poor food-importing countries.

As a result, the Community, which buys some food on the world market to help developing countries, can no longer deliver the food aid quantities it earlier promised. Chiefly due to last summer's US drought, the world price of milk powder had risen from Ecu735 to 1,800 a tonne and that of cereals from Ecu70 to 115 a tonne.

Backed by the Commission, the Parliament is sticking to its demand for an automatic budgetary formula to guarantee fixed food aid volumes to developing countries.

But speaking for the Greek presidency of the Council, Mr Yannos Papantoniou, the Athens Budget Minister, said EC governments could never agree to any such automatic transfer of budget money.

The food aid issue apart, tomorrow's vote will bring to an end an unusually harmonious budget procedure between Council and Parliament, made possible by their new five year (1988-92) agreement on broad spending ceilings and cash surpluses. The final budget level is likely to be not far off the Ecu44.6bn agreed by EC ministers last month.

Warning on Volga pollution

By Quentin Peel in Moscow

THE Soviet Union's Volga-Caspian basin, source of most of the world's supplies of caviar, is facing an "ecological disaster" unless urgent action is taken to stop pollution, according to a top Soviet biologist.

Pollution levels in the river are hundreds of times higher than official norms, decimating the sturgeon population, Professor Vladimir Lukyanenko told Pravda.

His precise revelations, based on a comprehensive survey of the sturgeon population, will fuel an increasingly heated political debate in the Soviet Union over disregard of the environment by the country's big industrial ministries and enterprises.

In spite of its high price, caviar is a popular and much-prized food in the Russian diet, an essential item on restaurant menus and at any important celebration. Any sudden shortage would cause a big outcry.

Professor Lukyanenko identified the big Astrakhan gas-condensate complex as a major cause of the pollution, saying it had pumped 1m tonnes of sulphuric anhydride into the atmosphere in the course of 1987 – far more than initial projections.

He told Pravda that the Volga river contained 700 times more petroleum products than the permissible concentration, and 113 times more surface pollution from synthetic products.

"Huge oil slicks were observed on the river last summer, dotted with hundreds of dead sturgeon," the newspaper reported. "Dead fish were seen floating down the river endlessly, all through the first half of June."

Preliminary studies carried out by Prof Lukyanenko and his team at a laboratory of the Soviet Academy of Sciences Institute for Inland Water Biology showed that 100 per cent of ordinary sturgeon were affected by disease, causing their eggs to spill out into the river in black clots.

The more exclusive Sevruga sturgeon were only 70 per cent affected, he said, and only 30 per cent of the most highly-prized Beluga.

The worst affected fish feed on organisms living at the bottom of the river, where the pollution appears to accumulate. The beluga is a predatory fish, feeding on sprats.

An ecological disaster is inevitable in the Volga-Caspian basin if no urgent and resolute measures are taken to clean up the river, Prof Lukyanenko said.

Bulgarian leaders to debate economy

By Judy Dempsey in Vienna

A TWO-DAY meeting of the Bulgarian Communist Party's central committee opened yesterday in Sofia in what appears to be an effort to tighten up the country's economic reforms.

The plenum, which will deal specifically with economic matters, is the first to be held since July when Mr Chudomir Aleksandrov, politburo member and central committee secretary in charge of cadre policy, was dismissed from both posts. Mr Stanko Todorov, President of the National Assembly, was also dropped from the ruling politburo.

Mr Aleksandrov, at one time tipped as a possible successor to Mr Zhivkov, Eastern Europe's longest-serving leader, favoured a more radical economic reform programme which entailed a major shake-up of the party apparatus.

So far, new replacements have not been named to the politburo. The plenum comes at a time when there is growing uncertainty about the direction, not only of the economic reforms but also of the pace of glasnost, or openness.

Jail urged for Brezhnev son-in-law

THE Soviet state prosecutor demanded yesterday that Mr Yury Churbanov, son-in-law of former Kremlin chief Leonid Brezhnev, should be jailed and also spend time in a labour camp, for corruption, Reuter reports from Moscow.

Prosecutor Alexander Sboyev said Mr Churbanov, First Deputy Minister of the Interior under Brezhnev, should serve five years in jail and five years in a labour camp "for his especially serious crimes".

Mr Churbanov, 52, showed no emotion as Mr Sboyev asked for the sentence. Under the criminal code of the Russian Federation, the one-time top policeman and husband of Brezhnev's daughter Galina could have been sentenced to death.

The prosecutor also asked for 15 years in a tough regime labour camp for Mr Khaidar Yakhyayev, former Interior Minister of the Central Asian republic of Uzbekistan, accused of giving bribes to Mr Churbanov and taking them from subordinates.

Both men, Sboyev told the Military College of the Soviet Supreme Court, had earned "specially severe sentences because of the political harm they have caused to the authority of the Soviet state".

Judge Mikhail Marov and his two assistants were not expected to hand down sentence for at least a further two weeks.

Ministers near deal on Italian steel plan

By William Dawkins in Brussels

INDUSTRY ministers in the European Community last night stood on the brink of agreeing a controversial rescue plan for Italy's debt-ridden state-owned steel industry, leaving West Germany as the only member state unable to give its consent.

Mr Dieter Von Wurzen, Bonn's junior Economics Minister, was alone among his 12 EC counterparts in refusing to accept a European Commission compromise that would allow Rome to pay two-thirds of a proposed Italian steel aid package now and apply to Brussels for the rest in two years' time.

This is a big compromise for Italy, which originally planned to inject L7,670bn (£3.25bn) into the loss-making Finsider, now renamed Ilva, and shed 20,000 jobs to return the group to profit by 1990. It means Rome could only guarantee L5,113bn.

However it needs member states' unanimous consent to go ahead, as would any future aid injections under the Commission compromise. Bonn argued that Italy should not be allowed to pay anything until it guaranteed extra closures on top of the 1.18m tonnes of hot rolled capacity it has already pledged for Ilva.

Mr Von Wurzen said more was needed to make an impact on the EC's 7m-8m tonnes of hot rolled coil-making over-capacity. West German officials hinted that their target was an extra 1.2m tonnes of rolled coil capacity, the exact size of the sensitive Bagnoli rolling mill near Naples.

Independent Sardinians bridle at American bases

John Wyles, recently in Cagliari, examines the opposition to military facilities in Italy's 'other world'

THE natives will tell you with a smile, "Ah yes, Sardinia is another world." And so it is that an hour's flight from Rome can deposit you in a land of three million sheep and one-and-a-half million people which seems, nonetheless, empty. The Sards themselves are intensely attached to their rugged territory, and though they may be famed for banditry and spaghetti alle barghutta, they do make it a very welcoming island.

Of late, however, a significant number of them have withdrawn the welcome mat for the American military presence with which Sardinia has been endowed. Indeed, this campaign seems unique in Italy where no other region has thrown up a movement with anti-American, anti-nuclear and anti-militarist strains.

Sardinia is indeed another world which feels itself too easily taken for granted on the Italian mainland. The island may just be able to stomach an Italian army base, two radar stations, a Nato air base, and an Italian missile testing area, but normally placid men and women in Cagliari are in a belated bad temper about the agreement signed by Giulio Andreotti's government in 1972

which allotted a sliver of north-east Sardinia to US military use.

A nuclear submarine base was built at La Maddalena which now houses around 2,200 US service people. It takes around four hours to drive there from Cagliari, the island's main town, and even longer if one strays from the island's single, bifurcated main road. Traffic signs are in short supply, particularly in the middle of the island's numerously nondescript villages, and those that are evident are sufficiently contradictory to challenge the navigational instincts of a Vasco De Gama.

Topographically, the island looks like it was caught in the middle of a collision between continents. Badly crumpled though it is, none of its mountains is higher than 1,800 metres, although many seem to be. The best are those that teeter over the coastline, looking down on a sea which is very clean, very blue and one of the best to be seen anywhere in the Mediterranean.

Such an advantage has long since been exploited by the great entertainers of our time. The Aga Khan has developed the seductively syberitic Costa Smeralda whose clutches of luxury seaside villas are only a telescope length away from La Maddalena.

Meanwhile, at the south of the island, one of Italy's most celebrated emigres, Charles Forte, has constructed his own vision of recreational paradise.

The Sards are slightly uncertain about their tourist industry. They are glad of the 100,000 or so jobs which take a lot of strain off a 20 per cent unemployment rate (only Calabria's is worse in Italy). But one banker spoke for many in his relief that the trade was only seasonal and in his worry about "turning the Sardi into a people of waiters and waitresses".

Also, having seen an impressive petrochemical industry developed in the 1970s, and restructured down into half its size in the 1980s, the Sards are wary about putting copious eggs in single baskets.

Plant closures gave a nasty boost to unemployment in the early 1980s. Now the figures suggest that an admittedly backward economy based on a bit of agriculture, a bit more of industry and much more of tourism and services is fighting back. Since 1980 average per capita incomes have risen from 68.7 per cent of the national average to 86.8 per cent, a much greater leap than anywhere else in the Italian south.

The Sards are not a people who naturally turn to welfare, but neither have they shown much entrepreneurial talent, although there is some evidence that it is now emerging. Much more apparent is the conviction of being different from other Italians. Scratch a Sard and you find a sense of identity which will be proudly traced back to the Nuragh civilisation.

This first appeared in around BC 1600, and its modern legacy is the 7,000 remnants of Nuraghe forts scattered around the island. The otherworldliness of the Sards is completed by their own language, which comes in four regional variations, and a striking preference for each others' company, whether they be in Rome or London.

Without this sense of community, it is doubtful whether the Partito Sardo D'Azione, with its Communists, Radicals and the Green allies, could have made such an issue of the US presence at La Maddalena. The latent nationalist sentiments of some Sards are offended ("no-one asked us whether the Americans could have our land"), and the Psd'az and its allies are hoping that resentment will translate into a good harvest in regional elections next year.

The Psd'az and its allies have set out to remedy Mr Andreotti's failure to submit the bases agreement with Washington to the Italian parliament, much less the Sardinian people.

But the campaign ran into a solid barrier on November 21 when Italy's Constitutional Court, on application from the Rome government, suspended a consultative referendum which was due to be held in Sardinia on December 11.

The government will maintain, with a good chance of success at a full hearing in the spring, that regions cannot hold referenda of any kind on foreign policy questions.

For the issue is exquisitely political. The referendum is only consultative but how long could the US base survive a majority "yes" to the question: "Are you against the presence in Sardinia of foreign military basis established by international accords not subjected to parliamentary approval for the purpose of sheltering and supplying nuclear powered and nuclear armed submarines?" A second question asks whether the voter wants to make Sardinia a nuclear free zone.

The best informed guess is that the Psd'az and their allies would win their referenda because apathy would keep the turnout low, permitting the zealots to poll to victory.

One can see why Rome would prefer not to take the risk: Italy plays host to several Nato and American bases and is about to accept another Nato fighter bomber wing on its eviction from Spain. The anti-nuclear movement so far has managed to halt nuclear generated electricity and it would be very embarrassing should Sardinia provide the basis for a national campaign against Italy's nuclear collaboration within the Nato alliance.

Shadow over US bases talks

THE 12th round of talks on the future of the four US military bases in Greece began in Athens yesterday under the shadow of the imminent expiry of the current agreement on the facilities' operation, and of acute US-Greek tension over terrorism, Andriana Ierodiaconou reports from Athens.

Athens is under attack in Washington for its decision last week not to extradite to Italy suspected Palestinian terrorist Mr Osama al Zomar, wanted for alleged involvement in a 1982 attack against a Rome synagogue.

The US has 17 months after the expiry of the current five-year defence and economic co-operation agreement (DECA) on December 21 in which to dismantle the bases and withdraw its personnel. The two sides may continue negotiating for a new agreement during that period.

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AMERICAN NEWS

Mexico includes daily devaluation in economic plan

By Richard Johns in Mexico City

MEXICO will adjust its exchange rate downwards by one peso a day against the dollar during the first half of 1989 as part of an economic package extending its stabilisation and restructuring programme for a further six months.

The new administration of Mr Carlos Salinas de Gortari believes the six-month timeframe, and the prospect of Mexico's real interest rates remaining substantially higher than those abroad, particularly in the US, will be sufficient to dampen speculation about the future of the peso and stem capital flight.

In announcing the new measures, President Salinas promised that next year would "see the end of the crisis and the beginning of the new economic era which Mexico deserves."

After six years of stagnation the hope is that Mexico will be able to resume growth in the second half of 1989, giving a modest 1.5 per cent-or-so increment for the year as a whole.

Continuation of austerity policies and the fight against inflation is clearly aimed at creating a sound framework of confidence for the renegotiation of the country's $104bn (£56bn) external debt and a drastic reduction in the transfer of financial resources abroad.

Over the six-month period, the peso would be devalued by 7.4 per cent against the dollar. The present rate of 2,281 pesos to the dollar, set at the end of February, was one of the essential components of the Economic Solidarity Pact, which also included a freeze on prices and wages.

The revised programme has been named the Pact for Economic Stabilisation and Growth (PECE).

The crawling-peg adjustment is a response to the continued pressure on Mexico's balance of payments, which this year is expected to record a deficit of $2bn compared with the 1987 surplus of $3.7bn.

At the same time the National Minimum Wage Commission has raised the minimum wage level by 8 per cent. A worker in Mexico City should not now receive less than 8,640 pesos (£2) a day.

Otherwise, salary and wage levels are to be left to negotiation, but the private sector is being asked to absorb any increases without raising prices except where production costs exceeded them.

Under the agreement with business and union leaders, petroleum, electricity and domestic gas prices, as well as other essential services, are to be frozen for six months.

Other measures are:

- modification of the tariff structure, presumably to be aimed at reducing imports of luxury goods.
- stimulus for agriculture through a revision of guaranteed prices.
- elimination of regulations discouraging investment.

Brazil inflation threatens pact

BRAZIL'S two-month-old social pact on prices and wages came under new pressure yesterday when government statistics revealed that December inflation looks set to hit 28 per cent, three points above the negotiated target, writes Ivo Dawnay in Rio de Janeiro.

Under the tripartite pact, employers, unions and government representatives have attempted to slow inflation by setting a ceiling for December price increases of 25 per cent. Wages, under a long agreed formula, should go up just over 26 per cent.

Concern about the future of the pact, which is widely viewed as crucial in braking inflation, led to frank exchanges between employers and Mr Ronaldo Costa Couto, the Labour Minister, in São Paulo this week.

Mr Mario Amato, president of the state's powerful industrialists' federation, Fiesp, told the minister that the Government was failing to keep its part of the agreement.

US retail sales beat predictions

By Anthony Harris in Washington

US RETAIL sales in October and November rose twice as fast as previous market estimates had suggested, according to new figures from the Department of Commerce.

At the same time, the National Association of Purchasing Managers published its most optimistic assessment of the business outlook for five years. The members expect 1989 to show stronger growth than 1988 by a 54% to 13% margin, and also forecast that inflation will drop from 5 per cent to 3.7 per cent.

Market reaction to these figures was subdued, as traders appeared reluctant to take positions ahead of the merchandise trade figures tomorrow, and the outcome of the Federal Open Market Committee (FOMC) meeting today.

The November increase in retail sales was 1.1 per cent, against market forecasts of 0.5 per cent, while the October increase was revised to 1.6 per cent

Much of the strength in both months was due to car sales, which have been boosted by heavy discounting of 1988 models. The October increase is now estimated at 4.6 per cent, about twice the previously reported rise, and a further increase of 2 per cent is reported for November. Sales of goods other than cars rose by 0.9 per cent in both months.

Sales in both months were supported by a windfall increase in real personal incomes in October, when tax rebates and payment of annual productivity bonuses raised incomes by a percentage point.

The financial markets have for some weeks been expecting the Federal Reserve to take action to check the strength of domestic demand, and to raise the psychologically important official discount rate, which stands at 6.5 per cent, well below money market rates.

However, the FOMC may well find the latest evidence unusually hard to assess. While the figures released today suggest a strong surge of growth, reports from member banks of the Federal Reserve present a much more subdued picture, as do more recent reports from the main retail chains.

Sourrouille struggles to stick to his course

Argentina's Economy Minister talks to Gary Mead about the host of difficulties he faces

IT is easy to understand why Mr Juan Vital Sourrouille, Argentina's Economy Minister, chain smokes, occasionally stabbing the air with a cigarette as he makes a point. He has rather a lot to contend with.

Stalled talks with the International Monetary Fund; scarcely controlled inflation reaching 362 per cent this year; truculent public sector unions who always get their own way; tax evasion a national sport; fiscal deficits which never stay in line; and cartoonists continuously poking fun. It's enough to try the patience of a saint.

But President Raúl Alfonsín's Radical Party stands a chance in next May's presidential election only if it can convince a population considerably poorer than when the Government took office that things will improve. The minister who bears the biggest responsibility for his party's chances is Mr Sourrouille.

He was responsible for the Austral Plan of 1985, which tried to curb an inflation rate which reached 628 per cent in 1984. Its temporary success was partly due to public willingness to accept austerity measures from a government which, at the time, had the wind of democratic popularity in its sails. That wind is now scarcely a breeze.

Three years on, Argentina faced exactly the same problem – July's inflation running at 25 per cent, with clear indications of worse to come. Mr Sourrouille's answer was to launch the Primavera, or Spring Plan. It brought down inflation to almost 6 per cent for November, and there it will stick, according to independent economists, before slowly rising again in 1989.

Inability to cut state expenditure is the key reason behind Argentina's failure to persuade the IMF to come up with badly-needed fresh loans to service a $56bn foreign debt.

To satisfy the IMF, Argentina has to cut state spending and/or increase revenues. Impotent in the face of massive tax evasion, the alternative – sacking thousands of state employees – is a certain vote loser.

Sourrouille: patient approach

According to commercial bankers and IMF officials, Argentina is asking for $4.7bn to cover outstanding interest payments for 1988-89, $1.2bn from the IMF, and the rest from the banks. Bankers are unwilling because Argentina is now $2bn in arrears from previous loans. With interest payments this year of $5bn, can Mr Sourrouille confirm precisely what Argentina is looking for in new money?

"That type of question I don't know if I can answer. I am the Economy Minister of Argentina, I reply to questions of a general character. What I can say is that Argentina always tries to finance with its own resources half its interest payments, the other half to be financed by international banks and multilateral organisations."

Part of Argentina's tiff with the IMF is the frequency with which it fails to stick to agreed targets. The most striking example concerns the fiscal deficit. The budget for 1988 – in any case more than a year late – presented to the IMF at the beginning of the year a fiscal deficit target of 2.9 per cent of GDP. There is now not a single independent economist outside the Radical party who accepts this figure. Highly conservative estimates place it at 5.5 per cent, while political opponents suggest as much as 13 per cent. Does Mr Sourrouille feel they have a point?

"The question should be put to those who suspect the government. If a person who does not have access to information disbelieves the government and you accept his judgement, that's your problem."

Mr Sourrouille was, however, more expansive on the subject of the IMF. "Argentina has continually negotiated with the IMF. We believe that the basic objective of the debtor countries is the recovery of their capacity for growth while preserving stability.

"We think the traditional methods of the IMF do not meet that objective, particularly because they require a transfer of resources which puts in doubt investments necessary for growth."

He denied the accusation of a growing number of Argentine exporters that the domestic currency, the Austral, is now seriously over-valued, endangering the country's fragile manufactured export sector. Such a criticism has even been levelled by the Foreign Trade Minister of Cordoba province, Mr Jose Giai, a personal appointment of Mr Eduardo Angeloz, governor of Cordoba and the Radical party's presidential candidate.

But despite the problems caused by the strong Austral, the Primavera Plan is about sticking plaster in the right places, so that the patient can limp through to May 1989. A stable over-valued currency means the US dollar can be bought cheap, at a time of the year when all minds turn to foreign holidays. What is happening to exporters, both agricultural and industrial, can be worried about later.

Those longer-term problems will land on the shoulders of a new Minister since, even if he wins, Mr Angeloz will certainly choose his own man for the job. Does Mr Sourrouille have any words of wisdom for whoever that might be?

"To have a lot of patience. The problem of the Economy Minister is that he has permanently to arbitrate between conflicts. He needs much patience, because in the flurry of events it is very possible to feel like being in the middle of a cloud, having lost the sense of east, west, south and north. It is essential to keep in mind what the correct route is."

Argentina 'made a deal with mutineers'

By Gary Mead in Buenos Aires

GENERAL Humberto Pompilio Ferrucci, commander of Argentina's Fifth Army Corps in Bahia Blanca, has confirmed that an agreement was signed between rebel leader Colonel Mohamed Ali Seineldin and army chief of staff General Jose Dante Caridi, and that it was responsible for ending the four-day mutiny two weeks ago.

Gen Ferrucci, who did not participate in the rebellion, said: "If two people are brawling and they stop, then it's because there's an agreement." He added that the terms of the pact involved a "moral recognition" of the army, an increase in state spending on the armed forces and "a serious and profound handling of the legal aspect".

On the issue of an amnesty for officers involved in human rights abuses during the "dirty war" under the last military dictatorship, Gen Ferrucci said the issue was contained in the "legal" point of the agreement. He said there was no deadline for implementation of the agreement.

When the mutiny ended on December 5, the Government insisted that no agreement had been reached with the rebels and that they had surrendered unconditionally. That was greeted with considerable scepticism at the time.

Gen Ferrucci's statement has convinced many more that Col Seineldin's forces wrung promises from the Government, which could not muster enough loyalist troops to crush the rebellion by force, as President Raúl Alfonsín demanded on December 3.

On Tuesday, the armed forces received a pay increase of 20 per cent plus an individual lump sum payment of £55 per man, the rise being given to both serving and retired personnel.

Some of the mutineers have begun to receive military punishments for participation in the rebellion. One lieutenant, who was told to take eight tanks to crush the rebellion but changed sides when he arrived, has been sentenced to 45 days' imprisonment and a change of post.

Bank chief tries to revive IMF debt negotiations

By Gary Mead in Buenos Aires

MR JOSE Luis Machinea, president of Argentina's Central Bank, is in Washington today to try and revive talks with the International Monetary Fund which have been stalled since August.

Argentina has requested a new IMF stand-by loan of $1.2bn, but failure to tackle fiscal deficit problems has so far left discussions deadlocked. Mr Machinea will also see representatives of commercial banks, who are considering Argentina's request for new loans of $3.5bn.

Talks with the IMF on loans have been under way since February when Argentina told the IMF that inflation would be brought down to 4 per cent a month by the end of the year and that the fiscal deficit would be cut to 2.9 per cent of GDP.

Those figures have since been revised upwards by the Government, which says public sector deficits will be 3.9 per cent of GDP. Inflation, which soared before August (when it peaked at almost 30 per cent), was brought down to 5.7 per cent in November, the lowest this year. However, independent economists say neither target will be met, inflation will begin to climb in December and January, and the fiscal deficit for 1988 will be at least 6 per cent of GDP.

When the Government launched emergency economic measures in August it won voluntary price restraints from industry. That has so far brought inflation under some control, although producers are restless because their costs have not kept in line with the retail price increases agreed with the Government. The IMF argued that the August plan failed to tackle public spending. Without further fiscal deficit proposals, the Fund is reluctant to offer new loans.

It is believed that Mr Machinea will suggest tax changes, including a cut in VAT from 15 to 7 per cent, the re-imposition of VAT on all food items except bread and milk, and substantial excise duty increases. It is thought such moves are unlikely to persuade the IMF to extend a new loan.

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OVERSEAS NEWS

Bankers become more hopeful on Koor settlement

By Stephen Fidler, Euromarkets Correspondent

FOREIGN BANKERS of Koor Industries, the troubled Israeli group, were yesterday expressing moderate optimism that the company's debt problems could be resolved out of court.

After meetings on Monday of the country's 25 foreign bank creditors, bankers said that while many doubts remained about proposals for resolving the company's debt problems, it appeared a large majority of foreign banks do not favour having the problem resolved by a court-appointed liquidator.

Bankers Trust – the New York bank which is the company's leading foreign creditor – applied in Tel Aviv on October 9 for a court order to wind up the company. It wants the present management, led by Mr Benjamin Gaon, Koor's chief executive, to be removed and replaced by a court-appointed liquidator.

According to one banker present at Monday's meeting, Bankers Trust had gone "out on a limb" with its application to the court and there was little support for its action. A spokesman for the bank in New York said that it was its intention to reach a solution that satisfied all creditors. Bankers Trust headed foreign bank syndicates which lent $150m to Koor, and it is in default on $20m to Bankers Trust of its obligations.

Yesterday, the discussion narrowed to a six-bank steering committee, comprising Manufacturers Hanover, Barclays of the UK, Creditanstalt of Austria, BfG of West Germany, and two South African banks, Volksas and First National Bank of South Africa, formerly Barclays South African subsidiary. Bankers Trust is an ex-officio member. The committee also had talks with Israeli creditors led by Bank Hapoalim.

However, Bankers Trust is going ahead with its court action. Next Tuesday, the Tel Aviv court rules on Koor's application to have the Bankers Trust move dismissed.

Details of the bank proposals remained unclear yesterday, although bankers said the proposals put forward to them by Mr Gaon on Monday are not satisfactory. Banks, for example, oppose attempts by the company to freeze repayments on short-term debts until 1990.

Israel relaxes controls on foreign borrowing

Andrew Whitley in Jerusalem

THE Bank of Israel has relaxed its previously strict controls on foreign borrowing, in a bid to aid export industries adversely affected by high domestic interest rates and inflation approaching 20 per cent a year.

The measure, which took effect quietly on November 20, represents a modest, first step towards the complete abolition of foreign currency controls being advocated by Mr Amos Rubin, economic adviser to Mr Yitzhak Shamir, the Prime Minister.

Exporters, whose access to foreign currency-denominated credit had previously been limited to the domestic branches of Israeli banks, can now shop around to obtain the cheapest rate available from any source abroad. This change, the Bank of Israel argues, should introduce greater competition at home, forcing Israeli banks to bring down their own interest rates.

Blue chip companies currently pay 20 per cent to 25 per cent a year in real terms on short-term bank loans, three times rates typically enjoyed by their Western competitors.

But the response from industry has been decidedly unenthusiastic. Many companies argue that the relaxation will make little difference in practice, as those large enterprises with a good enough credit rating to be able to borrow abroad on reasonable terms are already doing so – albeit after securing permission from the central bank.

"It is very good from a bureaucratic point of view, as it will mean less red tape," said Mr Arnon Tiberg, managing director of the Manufacturers Association, the principal employers' body. "But unfortunately it won't bring any new companies into the circle" of those capable of benefiting from it.

In a recent interview with the Financial Times, the Prime Minister's economic adviser argued strongly in favour of opening up the country to foreign capital "at rates which the world is willing to charge us".

Mr Rubin said he was unconcerned by the damage this would inflict on the money supply controls being maintained by the Bank of Israel. An iconoclastic free marketeer, he said the availability of foreign credit at low interest rates and a restructuring of government support for domestic investment was essential to create the new enterprises and jobs Israel badly needs.

Beirut truce broken

RIVAL Shi'ite Moslem militiamen fought in Beirut's southern suburbs yesterday for the first time since Syria imposed a truce last month, police said, Reuter reports from Beirut.

They said militiamen of the Iranian-backed Hizbollah (Party of God) and the pro-Syrian Amal attacked each other with rocket propelled grenades and heavy machineguns.

Residents said the sudden outbreak of street fighting started shortly after dawn but did not spread. They said the sound of exploding rockets echoed across the suburbs, home for 500,000 people.

They said Syrian troops were trying to halt the fighting, the first since rival Shi'ites battled for five days in west Beirut and the suburbs in late November killing 29 people and wounding 72. The battles stopped after Syria imposed a truce, arrested more than 300 militiamen and confiscated weapons.

The conflict between Amal and Hizbollah dates back to 1984 when Hizbollah, thought to be behind the abduction of some of the 18 westerners missing and believed kidnapped in Lebanon, emerged as a challenge to Amal.

Delhi fixes date for elections in key states

By K.K. Sharma in New Delhi

ELECTIONS for new legislative assemblies in the key south Indian state of Tamil Nadu and the north-eastern states of Nagaland and Mizoram will be held on January 21, next year, the Electoral Commission announced yesterday. The polls are being widely seen as a "mini-general election", the results of which are likely to influence Mr Rajiv Gandhi, India's Prime Minister, in deciding on whether an early general election should be held.

General elections for a new parliament need not be held until December, 1989, but there is widespread speculation that Mr Gandhi will not wait until then because of several factors that are favourable for the ruling Congress-I party. These include the disarray of the squabbling opposition parties and the considerable improvement in the Indian economy.

Mr Gandhi, who has been the centre of several controversies over alleged payoffs in defence deals for nearly two years, has lost much of the shine from his image apparent when he won general elections with a sweeping four-fifth's majority in December, 1984, soon after the assassination of Mrs Indira Gandhi, his mother, by Sikh extremists.

In the last few months, however, it is thought that he has retrieved some of the support he lost but there is no clear indication where Congress-I stands. Next month's "mini-election" will help to reflect this; hence the importance of the polls in the three states.

A clearer assessment would have been available if by-elections to 11 vacant parliamentary seats had been held at the same time, as had been expected. However, in a controversial decision, the Election Commission decided against holding the by-elections because parliament has less than a year's life left.

The most important of the polls will be the election in Tamil Nadu where Congress-I is making a strong bid to return to power after nearly two decades of being in opposition in the state.

Tamil Nadu, like the states of Mizoram and Nagaland, has been under president's rule (or direct government from New Delhi) for nearly a year following the collapse of constitutional government in the state soon after the death of the charismatic Chief Minister and former matinée idol, Mr M.G. Ramachandran, whose locally-based party ruled the state for nearly a decade.

Mr Ramachandran's party, the All-India Anna Dravida Munnetra Kazagham, has now split into factions led by his widow and a former actress who starred in many of his films.

Ishaq Khan takes presidential oath

PAKISTAN'S transition to democracy was completed yesterday with the swearing-in of Mr Ghulam Ishaq Khan as the country's President, Christina Lamb reports from Islamabad.

The occasion was marred by opposition claims that Monday's vote of confidence in the National Assembly for Ms Benazir Bhutto, the Prime Minister, had been miscounted. Instead of 148 votes they say she got 136, still giving her a majority in a house of 237.

Asia's workers flock to Japan

Ian Rodger on problems caused by an influx of immigrant labour

A first-time business visitor remarked the other day that Tokyo must be the only capital left in the industrialised world where natives make the beds in the hotels.

Japan has long resisted immigration of any kind, partly out of a deeply rooted xenophobia but mainly because, until recently, it was not a rich country and did not have jobs to spare.

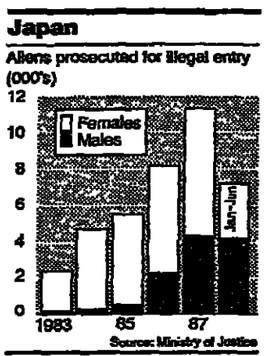
Now, however, Japan is rich, its economy is booming and there are labour shortages in many sectors – ingredients which are irresistible to ambitious people in the many poor countries in the Asia-Pacific region. In the past two years, there has been a sudden surge of immigration into Japan, especially from the Philippines, Pakistan, Bangladesh, Thailand and China.

The presence of these immigrants, although still a miniscule 150,000 or so in the total Japanese population of 121m, is causing Japanese leaders increasing concern. On the one hand, they fear a deterioration of social stability in Japan, on the other, they cannot turn their backs on their poor neighbours' needs. "It is a very delicate, touchy issue," according to a foreign ministry spokesman.

The only legal way a foreigner coming to Japan on his own can obtain a work permit is if he has a skill that is needed or wanted in the country. Unskilled workers are prohibited. Also, those who come as students are allowed to work 20 hours a week to help cover their expenses.

Analysts say most of the foreign workers in Japan today are either posing as students or have entered the country as tourists and then quickly disappeared into the already well developed underground network of connections that leads to jobs in bars, nightclubs and the construction industry.

Take the case of Mr Karin Newaz, a 27-year-old Bangladeshi who is on his way home this week after a six-month stay in Japan. Mr Newaz came on a student visa, but only grins when asked what he studied. In fact, he headed straight for a construction site in Chiba near Tokyo and spent all his time pipe fitting.



"Sometimes, it was very hard," he said in an interview, "Eating and sleeping were problems." But he is going home with the equivalent of $7,000 in his pocket, enough to enable him to really become a student in the new year at the University of Delhi.

The Japanese authorities were partly responsible for creating Mr Newaz's opportunity. Until last year, they allowed only those foreign students who were at universities to work 20 hours a week. However, that right was then extended to all other types of students, and suddenly the applications mushroomed.

In the first eight months of this year, 19,000 students have come to Japan from China alone, and another 35,000 are waiting for their applications to be processed. The demand is so great that some enterprising individuals, both Chinese and Japanese, have set themselves up as brokers between the applicants and what might be called Japanese educational institutions of convenience.

However, the majority of Asians seeking work in Japan enter as tourists. Last year, the authorities recorded 14,129 immigration violations, 33 per cent more than the previous year, with Filipinos accounting for 71 per cent of them.

In April of this year, immigration officials carried out an intensive check of 558 arrivals with suspicious tourist visas over a period of 10 days. They rejected 458 of them, 218 from Bangladesh, 174 from Pakistan and 16 from the Philippines.

Reactions in Japan to the sudden development of a "gastarbeiter" phenomenon are, as one might expect, mixed. In general, the Japanese are not particularly hospitable to any foreigners but they tend to be particularly condescending in their attitudes to other Asians.

The chairman of a Labour Ministry advisory panel that studied the problem earlier this year said when presenting his report in March: "Considering the experiences that other Western nations went through, it is absurd to accept unskilled workers. Once we completely liberalise the labour market, unskilled workers will surge into Japan, causing new economic, social and labour problems."

A foreign ministry official recently expressed a similar concern. "We are afraid that the number of foreign manual laborers working under poor conditions with low wages will eventually increase, giving rise to new social problems such as housing, insurance, education and welfare arrangements for them."

However, with increasing affluence, Japanese people do not want to do menial jobs and so the country's need for foreign workers is likely to continue to grow, regardless of the economic cycle. The Ministry of Construction, for example, has joined those calling for legalising the entry of unskilled workers.

"We already have many foreign workers in the country. It is no longer time to discuss whether we should accept them or not. It is time for us to have proper laws to protect the fundamental human rights of foreigners already in Japan," says the Rev Hidetoshi Watanabe, a pastor at a the United Church of Christ in Yokohama.

According to a poll carried out by the Justice Ministry a year ago, 42 per cent of those asked thought the government should ease restrictions on foreign workers while 32.8 per cent said the present policies should be maintained. Nearly half supported the idea of allowing unskilled foreign workers to come and work in sectors where there were labour shortages.

Until now, the Japanese authorities have dealt with the foreign worker issue by turning a blind eye for most of the time and, to some, that would seem the best way to continue.

However, the government now appears to be toughening up. Next month, it will probably suspend its agreements with Pakistan and Bangladesh whereby citizens of those countries can enter Japan as tourists without having obtained visas in advance. Also, the Justice Ministry will present new legislation early next year to amend the immigration control act to tighten entry formalities, penalise employers who hire illegal workers and make more strict the qualifications needed to become a foreign language teacher in Japan.

The Japanese authorities are masters at using legislation and regulations flexibly, so it would be premature to predict a big crackdown. Also, they know that the eyes of the world are now focused on them, watching out for any evidence of unfair play. The incoming student problem, for example, may be measured against the fact that 45,000 Japanese went abroad to study last year.

It will probably, however, be some time before foreign workers are making the beds in the hotels.

S Africa bans insulation fire hazard in mines

SOUTH AFRICA, under pressure to improve safety standards in its mines, has banned an insulating material blamed for a fire that killed 177 men in a gold mine disaster two years ago, Reuter writes from Johannesburg.

Mr Jan Raath, a government mining engineer, announced on Monday night that toxic polyurethane foam used in scores of mines "shall be removed at the earliest opportunity or rendered inert".

The foam, outlawed in British coal mines 20 years ago, caught fire at the Kinross gold mine in 1986 and sent toxic fumes through underground tunnels, killing 177 miners.

A mine owners' committee called for the foam to be stripped from all South African mines but many operators ignored the recommendation and continued to use it to insulate underground cooling systems.

Polyurethane foam again caught fire last October at Western Deep Levels, the world's deepest gold mine, and caused the deaths of seven more black miners. The accident revived controversy over safety standards in South African mines, where hundreds of workers, mostly blacks, are killed each year.

The 260,000-member National Union of Mineworkers has repeatedly accused white mine owners of slack safety standards and demanded to know why the foam was still in use.

Seoul expects 12% growth rate

By Maggie Ford in Seoul

SOUTH KOREA is expected to record a real growth rate of 12 per cent in 1988 for the third year in a row, according to estimates prepared by the Central Bank.

The Bank of Korea said that although the growth rate in exports had slowed, domestic demand for manufactured goods and agricultural products had pushed up the growth figure. A current account surplus of around $14bn is nevertheless expected this year compared with last year's $9.8bn.

The Bank said that per capita gross national product for the country of 43m people was expected to leap from $2,700 last year to $3,700 at the end of this year, partly because of the 15 per cent appreciation of the Won currency against the dollar.

By the end of next year, when the Won is expected to appreciate further, per capita GNP is likely to have reached $5,000. Income distribution has also improved markedly in South Korea since a wave of labour strikes last year, with average family income now at about $12,000 per year.

South Korea's savings rate continues to maintain its high level, increasing from 36.7 per cent of GNP to 38.4 per cent this year largely due to a crackdown on property speculation.

Party 'must practise democracy'

By Maggie Ford

SOUTH KOREA's Ruling Democratic Justice Party has no choice but to practice democracy and is engaging in internal perestroika, according to Mr Park Jun Kyu, its new chairman. Mr Park, who was made head of the party after a Cabinet reshuffle last week, said that President Roh Tae Woo had warned party members who oppose democratic change to resign.

Mr Park has extensive political experience and was formerly head of the delegation holding parliamentary talks with North Korea. In a wide-ranging interview, he said that the South would not exclude the possibility of holding military talks with Pyongyang. There were signs of a change of attitude by the US and Japan towards Korean reunification, he said.

He signalled a new approach towards the North when he said that, should the South's policy on cross-recognition between the two sides and their joint entry to the United Nations hinder progress, Seoul would drop it. North Korea has always rejected cross-recognition, under which China and the Soviet Union would recognise the South and the US and Japan would recognise the North, because it would cement the division of the country.

He pledged that a large number of political prisoners would be released before Christmas and that national security laws which have been used to persecute political opponents would be speedily revised.

Park: party chairman

What made Mr Crocker lose his cool

By Michael Holman, Africa Editor

AT ONE especially fraught moment in the negotiations which brought about yesterday's agreement on a Cuban troop withdrawal from Angola, Mr Chester Crocker's patience snapped.

It was in New York in October, and the momentum of the talks, which began in London last May, appeared to have stalled. Cuba and Angola, it seemed, were holding back pending the outcome of the US presidential elections.

The Democrats had promised to end US support of Unita, the Angolan rebel movement, and to implement tougher sanctions against South Africa.

Throughout the protracted negotiations, the bespectacled 47-year-old Mr Crocker, the US Assistant Secretary of State for Africa, had usually conveyed an air of professorial detachment, accompanied by a mastery of detail. This time however, he let loose his sharp tongue on the Angolan and Cuban delegations.

The war in south-western Africa was a far-off conflict about which Americans knew little and cared less, he said – or words to that effect. If asked, Mr Crocker continued, the average US citizen would guess that Namibia was a disease and Angola an animal.

Crocker: policy of linkage

The tension was broken, said the African official who recounts the story with much amusement, by a Cuban delegate.

If Angola was so unimportant, he asked, why had Washington allowed such a senior government official – an assistant Secretary of State, no less – to spend the best part of eight years on the problem.

The answer – as all the delegates knew – had been set out by Mr Crocker himself in early 1981, couched in terms that had a ring of the Cold War about them.

It was contained in an analysis of US-Southern Africa policy published in January that year, one of several on the subject by Mr Crocker that caught the eye of President Reagan's advisers.

At the time he was director of African Studies at Georgetown's Centre for Strategic and International Studies. Mr Crocker's credentials included a PhD from Johns Hopkins University, consultancy for the State Department and the CIA, lecturing at the Army War College, and two years on the staff of the National Security Council in the early 1970s.

In the analysis Mr Crocker argued that Angola should be much higher on Washington's agenda. The country should form the "logical focal point for policy" in the region, he wrote.

"It is in Angola, after all, that anti-communist forces are effectively engaged in trying to liberate their country from the new imperialism of Moscow and its allies.

"This process should be encouraged with the aim of getting the Cubans out so that a genuine political reconciliation can take place. . . the West should continue to back Unita until such time as the MPLA (Angola's ruling party) is prepared to negotiate and to expel the Communist force from Angola. Namibia, according to this argument, is a separate and less important issue."

A few months later Mr Crocker was sworn in as President Reagan's Africa man.

It marked the start of what was to be termed "linkage" – Washington's insistance, readily endorsed by Pretoria, that Namibia's independence should be conditional on a Cuban withdrawal.

Bringing it about took nearly eight years of hard, often hostile bargaining, during which linkage was initially flatly rejected by Luanda and Havana and Mr Crocker's political fortunes reached a low ebb.

At one stage, without results in south-western Africa, and seen by right-wing Republicans as soft on Mozambique – where he resisted pressure to support the MNR rebels – Mr Crocker seemed in danger of losing his job. The support of Mr George Bush and Mr James Baker proved crucial, colleagues say – two patrons who will doubtless be ready to find Mr Crocker a senior job in the new US administration.

Today Mr Crocker can say that his strategy of "linkage" has been vindicated – though he is the first to acknowledge that yesterday's pact is the product of many factors, including superpower co-operation and war-weariness on the part of the protagonists.

But delegates give Mr Crocker credit for his skills and dogged diplomacy. Like Lord Carrington at the Lancaster House conference which led to Zimbabwe's independence, Mr Crocker painstakingly set about "nailing coat-tails to the floor" as one delegate put it: winning concessions here and there, not especially significant when taken on their own, but which when put together make it difficult for the parties to wriggle free.

What remains unresolved, however, is the civil war in Angola. Mr Crocker insists that US military support for Mr Jonas Savimbi, the Unita leader, will continue until the reconciliation he urged on Angola as far back as 1981 takes place.

Despite a series of discreet contacts between the MPLA and Unita, there has been little evident progress. But if Angola's war is brought to a negotiated end as part of a regional settlement it will conclude a most remarkable feat of diplomacy for Mr Crocker.

Timetable for Cuban troop withdrawal from Angola

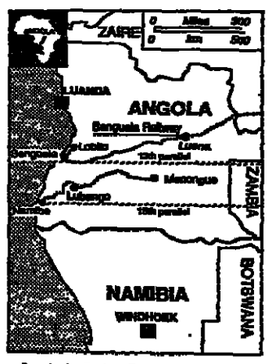
By Anthony Robinson in Brazzaville

THE NEAREST Cuban soldier should be 340 miles north of the Namibian border by the time Namibians go to the polls on November 1 under the terms of the Cuban troop withdrawal schedule signed by Angola, Cuba and South Africa yesterday.

Revealing details of the withdrawal schedule for the first time, Mr Pik Botha, the South African Foreign Minister, said the first contingent of 3,000 troops would leave before April 1, the agreed date for the start of implementation of the UN Resolution 435.

The schedule calls for withdrawal of the entire Cuban force of 50,000 men beyond the 15th Parallel within four months of the April 1 "D-Day". This would take the Cubans north of the Namibe-Lubango-Menongue railway line some 190 miles from the border by August next year. Over the next three months half the Cuban force, or 25,000 men, are scheduled to leave Angola with the rest left to the north of the Benguela railway by election day.

A further 8,000 troops will be withdrawn over the next five months so that by April 1990 some 33,000 troops, two-thirds of the total, will have left. A further 5,000 troops are scheduled to leave over the next six months. The final departure of the remaining 12,000 troops will be phased over the following nine months ending July 1991.



South Africa's acceptance of the withdrawal schedule followed last-minute insistence on acceptable monitoring and verification procedures. Originally Pretoria demanded the withdrawal of 15,000 Cuban troops, as against the final 3,000, before implementation of Resolution 435 began and the exit of 75 per cent of the Cuban force within 12 months of "D-Day", not 18 months as in the final agreement.

Vietnam to demobilise 300,000 soldiers

VIETNAM will demobilise more than 300,000 soldiers, including elements of six army divisions due to withdraw from Kampuchea next week, the army said yesterday, Reuter reports from Ho Chi Minh City.

A senior military officer had said last month that the army was being streamlined to make it more suitable for peacetime. However, leading military figure Brig Gen Thai gave no timetable nor other details on the trimming of the 1.3m-strong regular army, one of the world's largest.

Gen Thai said that 18,000 soldiers transported in hundreds of trucks would begin leaving Kampuchean bases tomorrow and cross into Vietnam on December 21.

They are to be the final instalment of a total of 50,000 soldiers Hanoi says it is pulling out in its biggest partial withdrawal since its troops invaded Kampuchea in December 1978.

The troops remaining in Kampuchea will be organised in regiments, all of which are to be pulled out by the end of March 1990, Gen Thai said.

Hanoi publicised the withdrawal of what it said was 15,000 troops from Kampuchea at mid-year, and Gen Thai said that 17,000 more left in small units undetected by foreign intelligence up to November.

Western diplomats have estimated a net withdrawal of 15,000 to 20,000 troops took place in 1988 and have expressed doubts that Hanoi will meet its target of removing 50,000 by year end.

Vietnam said that it invaded Kampuchea to overthrow the Khmer Rouge and end what it called genocide against Kampucheans and to stop a Chinese threat to Vietnamese security. He said the total strength of the Kampuchean military, including village militia, was more than 200,000. Western diplomats have estimated Phnom Penh's army at about 40,000.

The withdrawal of troops over the next week is being organised along four highway routes and one river.

Dalai Lama protest

The Dalai Lama, Tibet's exiled spiritual leader, yesterday condemned recent violence in Lhasa as Chinese oppression but said that he hoped it did not mean Peking had turned its back on negotiations, Reuter reports from New Delhi.

Police fired at unruly demonstrators in the Tibetan capital last Saturday killing one monk and injuring 13 people, the official New China News Agency said.

Among the injured was a 26-year-old Dutch woman whose passport had subsequently been confiscated by police, diplomats said.

Westerners in Lhasa reported at least two died when police fired on a pro-independence march.

"We deplore the indiscriminate shooting by armed Chinese troops on the crowd of unarmed and helpless Tibetans," said a statement from the Dalai Lama's New Delhi office.

In October, the Dalai Lama, who fled Tibet after an abortive uprising against Chinese rule in 1959, said that he had proposed to Peking that direct talks should begin in Geneva in January.

China has yet to respond to the offer of talks but said in June it was willing to open a dialogue.

Assad visits Saudis

Syrian President Hafez al-Assad flew to Saudi Arabia yesterday to be met by King Fahd in an official welcome at Riyadh airport, the Saudi Press Agency reported.

The official Syrian news agency SANA made no immediate mention of the trip, Assad's first visit to the kingdom inalmost four years.

Burundi holds 60

THE Government of Burundi has detained about 60 people suspected of taking part in tribal massacres in the north of the country last August, Prime Minister Adrien Sibomana said yesterday, Reuter reports from Nairobi.

Mr Sibomana said the Government had undertaken not to prosecute any of the 46,000 refugees who fled to neighbouring Rwanda during the massacres and who are now returning to their homes.

Nigerian clampdown

Nigerian authorities, who clamped down heavily on academic protests earlier this year, have closed two universities to curb a new upsurge of student unrest, newspapers reported yesterday, Reuter reports from Lagos.

Ms Grace Alele-Williams, the vice-chancellor of Benin University in the east of the country, ordered the closure of the university after three students were reported detained over the weekend by security forces.

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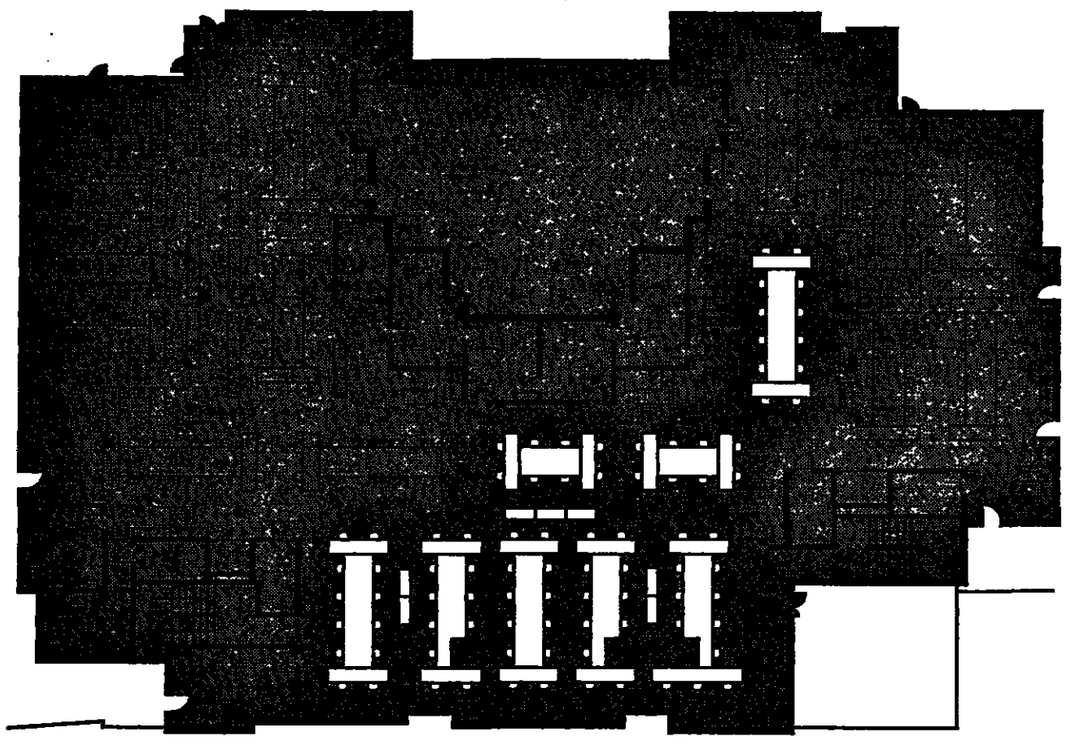

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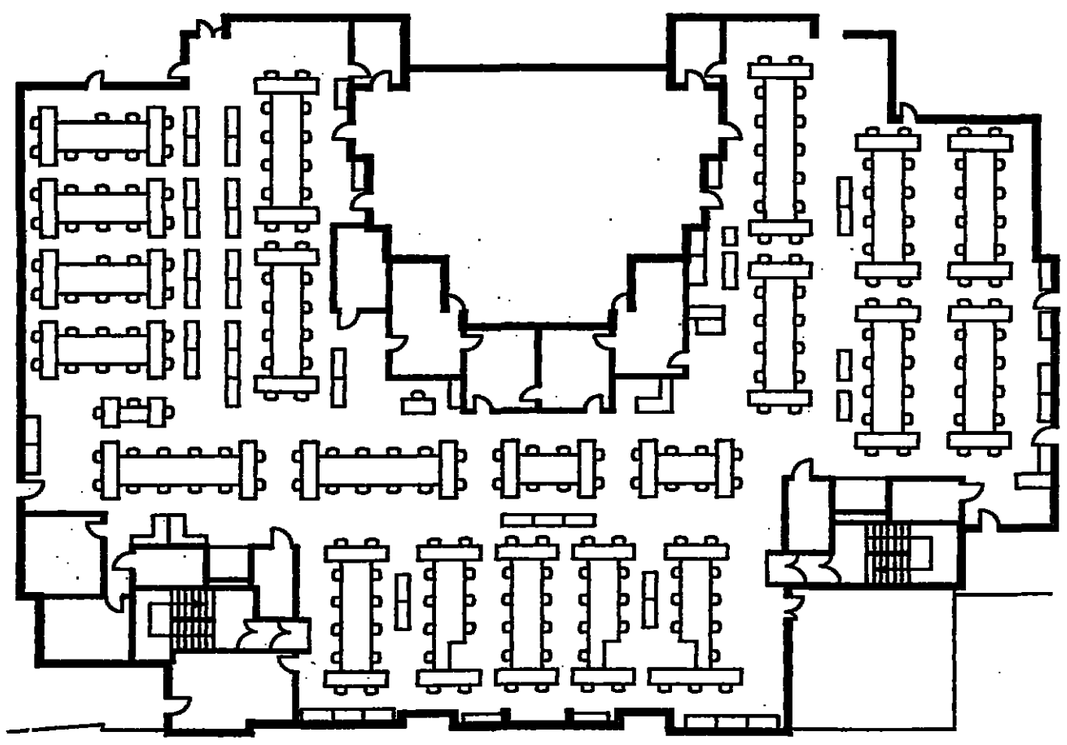

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WORLD TRADE NEWS

Brussels plans duties cut on Japanese printers

By William Dawkins in Brussels

THE European Commission is planning to make big reductions in anti-dumping duties on $300m (£163m)-worth of imported Japanese daisy wheel computer printers.

It has asked member-states to impose definitive duties of 23.5 per cent – just over half the current provisional rate – on 13 of Japan's top producers of computer printers.

Brussels also wants to annul the levies being applied to two more, Tokyo Juki Industrial and Tokyo Electric, the only producers to co-operate with Commission investigations. All the companies are now paying provisional levies of between 12.4 and 43.2 per cent, which means they must take out guarantees for the duties rather than paying in cash.

The cut in duties comes as a result of mitigating facts the Commission picked up while completing its inquiries after imposing provisional levies.

Brussels proposes to make those duties definitive, a routine step in anti-dumping cases, so that the levies must be paid in cash at EC frontiers. The decision is expected to be ratified without debate by EC governments at a ministerial meeting within the next week.

It comes a few weeks after member-states accepted a Commission request to set definitive duties of up to 47 per cent on almost all Japanese exports of dot matrix printers, a much larger market but dominated by the same companies. Both machines are used with personal computers.

The other main companies involved include Seiko Epson, Brother Industries, Fujitsu and and NEC. In both instances there have been complaints of artificially low pricing from the EC's leading computer printer makers which include Olivetti, the Italian offshoot of Honeywell Information Systems, Mannesmann Tally and Philips Kommunikations of West Germany.

Imports of Japanese daisy wheel printers rose from 70 to 74 per cent of the EC market in the three years to 1986, when the producers were selling at prices as low as 58 per cent below domestic prices, the Commission estimates.

Australian order for Hawker Siddeley

By Chris Sherwell in Sydney

HAWKER SIDDELEY of the UK, through its Far East unit Hawker Pacific, has beaten Canadair of Canada to supply five medium-sized VIP aircraft to the Australian government to replace its ageing fleet.

Under the deal the Royal Australian Air Force will lease five French-made Falcon 900 jet aircraft, for which Hawker Pacific is the agent, over a period of 10 years at an average annual cost of A$26m (£12.1m).

In announcing the contract last week, the Government again changed its mind over details of the order. Originally it sought three medium-sized (10-15 seat) and two large (35-45 seat) aircraft, then amended this to four medium and one large aircraft.

But this was changed when it decided to have five triple-engined Falcons – the preference, apparently, of the Air Force.

The decision not only rejected the cheaper two-engined Canadair Challenger, it also wrecked the hopes of British Aerospace, which offered its BAe 146 as the large aircraft, and Australian Airlines, the state-owned domestic carrier, which put forward a Boeing 737-300.

Although the question of larger jet aircraft is to be "further considered" by the Defence Department, no additional order is expected.

Turkish contractors expected to step up Libyan projects

By Jim Bodgener in Ankara

TURKISH contractors are set fair for a substantial increase in Libyan work valued at around $1.5bn (£815m) after talks last weekend between their association and the Libyan government.

This extends a general improvement in Turkish-Libyan trading relations after a bad patch soured by delayed payments during the oil price and development revenues slump for Tripoli in the mid-1980s.

The key would be Libyan agreement to accept letters of guarantee from Turkish banks, Mr Ozer Olcmen, the Secretary- General of the Association of Turkish Contractors working in Libya, said yesterday. After alleged difficulties with Turkish banks over uncompleted Turkish contracts several years ago, the Libyan government refused to recognise their letters of guarantee.

A Turkish banking team led by the central bank will go to Tripoli on Sunday for talks aimed at hammering out a compromise formula – probably through Turkish central bank counter-guarantees for larger and more solid Turkish institutions like Is Bankasi. This would be part of a package including oil purchase terms and a $250m line of credit for Turkish exports.

The contracts in question had already been negotiated by about seven Turkish contractors including Sezai Turkes-Feyzi Akkaya (ST-FA), Tekser, Baytur, Yasar Ozkan, Ege, and Enka, said Mr Olcmen. They were for infrastructure and housing, particularly in the new Libyan capital of Jufra, about 400 miles south-east of Tripoli.

However, he stressed that Libyan acceptance of the letters of guarantee would only apply to those projects carrying the central government's seal of approval, and not to any scheme promoted by local governments or municipalities.

Turkish contractors were still owed around $400m for work in Libya, but $200m of these payments had already been approved and were awaiting disbursement from the Libyan treasury, said Mr Olcmen.

The remainder were stuck at various levels in the Libyan bureaucratic system. So far, Turkish contractors had carried out work valued at $6.5bn in Libya, and had $3.5bn more to complete in addition to the expected $1.5bn, he added.

Another boost to Turkish contractors seeking Libyan work came last week from the budding Export-Import Bank of Turkey (Eximbank), which announced a package of short-term export credits and bridging finance. Its director, Mr Turgay Ozkan, said Turkish companies would receive $60m-$70m in bridging loan finance by the end of the year.

This will help them over the interim period between a Turkish-Libyan agreement in November to resume Libyan oil exports in payment for Turkish contracting services, and the actual transfer of funds to the Turkish-Libyan joint account from which the contractors would be paid.

Swiss lift maker expands in China

SCHINDLER, the Swiss lift and escalator manufacturer, which has been involved in a Chinese production agreement since 1980, has entered into a second joint venture there, writes John Wicks in Zurich.

The venture, called Suzhou-Schindler Elevator, will be formed by the parent company Schindler Holding and its Hong Kong affiliate, Jardine-Schindler, with a combined 40 per cent, and Suzhou Elevator, in Jiangsu province, which will have a 60 per cent stake.

The company will use Schindler technology to produce about 950 lifts next year. Together with the existing joint venture, China-Schindler Elevator, which has factories in Peking and Shanghai, this will raise annual output to 2,300 lifts and escalators, with plans to expand to 4,000 units.

Saga cars win UK tariff exemption

MALAYSIA'S Proton Saga car has been given Generalised System of Preferences status by the UK, Reuter reports from Kualar Lumpur.

The GSP is a measure devised by the UN Conference on Trade and Development to make exports from developing countries more competitive through non-reciprocal tariff preferences.

Perusahaan Otomobil Nasional Bhd plans to sell 5,000-7,000 cars in the UK next year with another 500 to 700 going to Ireland, Proton Saga said.

Racal in Saudi deal for military radios

RACAL, the British electronics group, has announced a licensing deal for advanced military radios to be made in Saudi Arabia for the local market, writes David White.

The agreement is tailored to fit in with the Peace Shield programme of high-tech offsets agreed between the Saudis and Boeing of the US under a 1985 contract for a command, control and communications system. The Saudi partner, Advanced Electronics Company, is a joint venture set up under the offset programme.

Iveco agrees to produce trucks in Yugoslavia

By Kevin Done, Motor Industry Correspondent

IVECO, Europe's second largest truck manufacturer and the commercial vehicle offshoot of Fiat, has signed a 10-year joint venture agreement to produce light and medium commercial vehicles in Yugoslavia.

The agreement with ZCZ (Zavodi Cravena Zastrava), the Yugoslavian commercial vehicle maker, still requires approval by the Yugoslavian authorities, but is expected to come into force in January.

The two groups are to form a joint venture company ZPV (Zastava Privredna Vozila), which will produce vehicles from components supplied by Iveco.

The vehicles will be sold in Yugoslavia and exported through the Iveco network.

The assets of the new venture will comprise ZCZ's existing truck activities in Yugoslavia and production equipment, capital and know-how from Iveco.

The first co-operation agreement between Iveco and ZCZ was signed in 1973.

ZCZ manufactures the Iveco Daily medium van and Iveco Z light truck ranges under licence.

Taiwan trade mission to Peking likely

By Bob King in Taipei

TAIWAN is likely to send a delegation to a big trade meeting in Peking next year now that the Taiwanese foreign trade board has lent its support to a local trade organisation's formal application for the visit.

The visit, which organisers say the Government will probably approve, will mark another step in the rapidly-accelerating detente between the two countries, which have been adversaries for nearly four decades. This process has already been marked by the Taiwan Government's approval of personal visits between the two sides, as well as of indirect trade and investment links.

The China External Trade Development Council, a privately-funded organisation, said yesterday that it had formally proposed that a delegation from the Taipei World Trade Centre should attend next year's meeting of the World Trade Centre Association in Peking.

The association has 189 members from 57 countries – and Taiwan, which is recognised by only two dozen countries – is anxious to keep up its participation in international organisations even without political implications.

The delegation's visit, although unofficial, will require the approval of a select cabinet committee that deals with policy toward China. But Mr David Liu, deputy director of the Council's exhibition department, says the organisation is "very optimistic" that the committee will approve the request.

In recent months, the Government has greatly liberalised its stance toward private contacts with China and other Communist nations. It now allows mainland Chinese to visit ailing relatives and attend funerals in Taiwan; it has approved visits by "outstanding" Chinese athletes and scholars; and has given its businessmen permission to invest in China through third-country go-betweens.

Attendance at the World Trade Centre Meeting, scheduled to begin next September, might serve to swell trade between Taiwan and China, which this year is expected to reach $2.5bn (£1.4bn) compared with last year's $1.5bn.

Taipei sells mostly finished goods to China while importing raw materials such as coal, cotton, and iron.

Crossair to buy 25 Saab aircraft

CROSSAIR, the Swiss regional airline, is tomorrow to sign an agreement with the Swedish company Saab Scania for the purchase of 25 Saab-2000 short-haul aircraft, writes John Wicks in Zurich.

It is understood that Crossair, which has affiliations to Swissair, intends to arrange for options on a further 25 aircraft. This will be the first order for the 50-seat Saab-2000. It is a faster, extended version of the Saab-340 Cityliner, of which Crossair already has 19 in use. Delivery is expected to start in the second half of 1993.

Ankara picks jet system bidders

By Jim Bodgener

THE TURKISH government has settled on three contenders for a contract valued at about $350m (£190m) to supply electronic counter-measure (ECM) systems for locally-manufactured F-16 fighter jets. It expects to choose one for the award by the end of the year, say Turkish defence industry sources.

The three contenders are Westinghouse and Loral Electronics of the US, and the UK's Marconi, offering their ASPJ, Rapport, and Zeuss systems respectively. Of the three, Loral is furthest down the line in terms of development and delivery, while Westinghouse's development programme extends into the 1990s. It might be the mid-1990s before it was in a position to deliver to customers outside the US, according to the sources. All the contenders are offering financing packages, probably with extensive offset terms.

Turkey needs the ECM systems for the 160 aircraft. All that eventually will emerge from a $4,000m local manufacturing deal agreed with the US government in 1983 as a contractor, on behalf of General Dynamics of the US, which makes the F-16s.

So far under the deal, eight have been delivered from the US, while the 13th locally-assembled fighter was delivered from the Murted plant outside Ankara yesterday, a month ahead of schedule, bringing the total flying with the Turkish Air Force to 21. The F-16s will eventually help to replace the latter's ageing F-104 fleet.

US law firm to ease Soviet joint ventures

ARNOLD & PORTER, the largest Washington DC law firm, yesterday announced establishment of a joint venture with a Soviet consulting co-operative to ease formation of other US-Soviet enterprises, writes Nancy Dunne in Washington.

The joint venture is between Apco Associates, the law firm's consulting affiliate, and Infeks, a Soviet co-operative set up six months ago and affiliated with the Soviet Ministry of Foreign Economics.

Mr James Jones, an Arnold & Porter Managing partner, said there had been only 10 joint ventures finalised between US and Soviet businesses since the passage of the 1987 Soviet law promoting joint enterprises. Apco and Infeks will seek to boost the process, particularly in the areas of food processing, finance, energy, telecommunications, hotels and tourism, paper products and fisheries.

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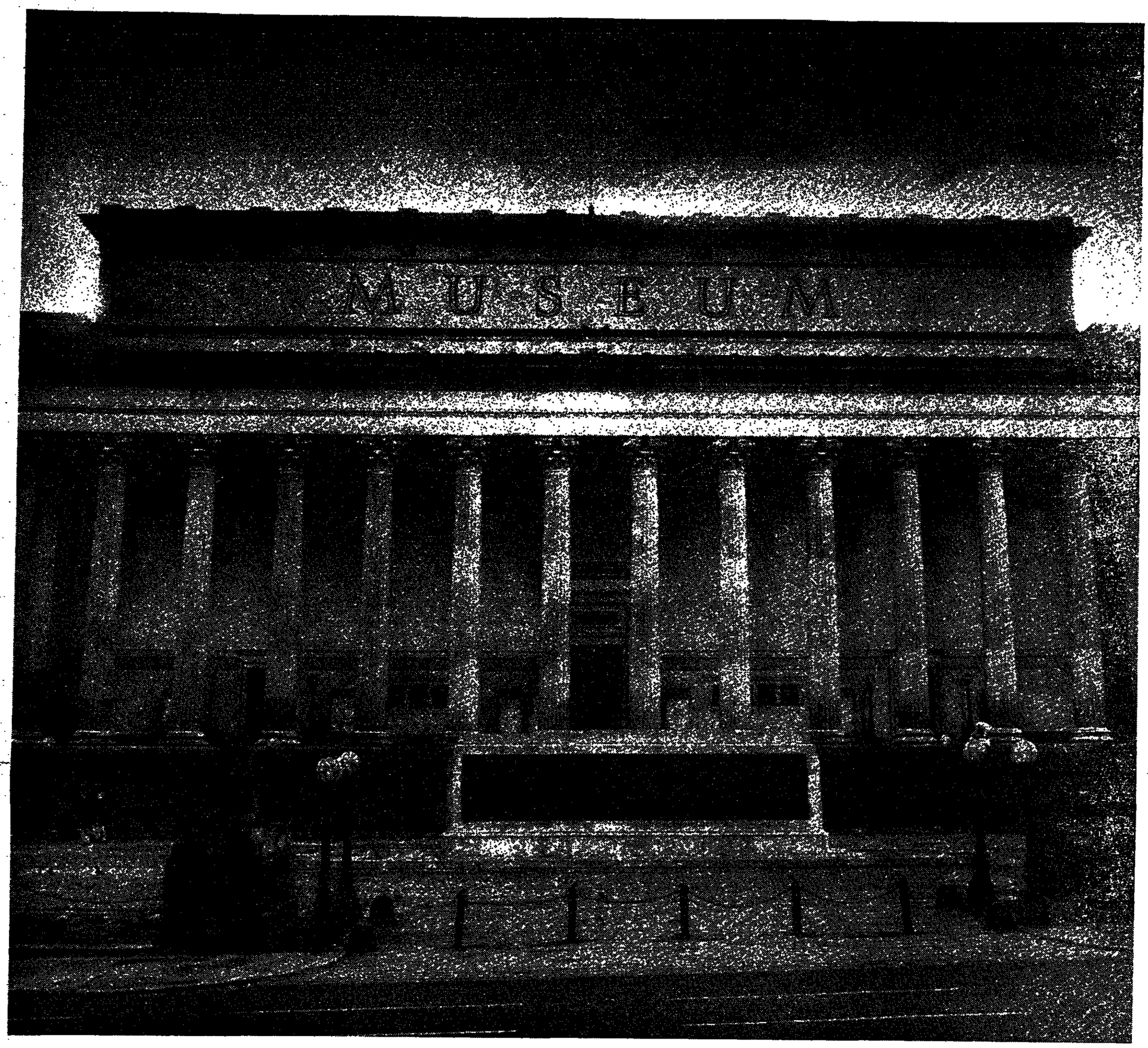

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UK NEWS

Last-minute claims block Barlow Clowes payments

By Richard Waters

ATTEMPTS to repay most of the 7,000 investors in the UK arm of Barlow Clowes 25 per cent of their money before Christmas collapsed in chaos last night.

Last-minute claims against the UK fund from the liquidators of the Gibraltar-based Barlow Clowes International frustrated what was already a drastically scaled-down payment.

It emerged in the High Court in London that the liquidators of BCI have lodged a claim of £62m against Barlow Clowes Gilt Mangers, the UK fund, or more than four times the £16m that had been expected. The claim is for cash which the liquidators say was mingled with the UK fund.

Mr Nigel Hamilton, the Ernst & Whinney liquidator representing BCI, denied protests in the UK that his 11th-hour claim showed that his investigators had been dragging their feet in the past six months.

Speaking from Gibraltar last night, Mr Hamilton said: "Things just kept coming out of the woodwork. There has been a huge amount of work going on, with 50 people working weekends and day in, day out. We have been beavering away."

Yesterday's decision came after two High Court hearings in London and one in Gibraltar. The Gibraltar court, on the application of a BCI investor, refused to put a ceiling on the size of the BCI claim, making it impossible for the UK court to then pay out the balance to UK investors.

"It's very disappointing indeed," said Mr Michael Jordan, the liquidator of the UK fund, after the second hearing. "We are sitting on £53m but sadly we just can't pay it out."

Amid the general gloom, 1,000 of the 7,000 UK investors saw a satisfactory outcome to their claim. The High Court agreed that these people, who had invested a total of £6m in the UK fund, should get back 75p for every £1 they invested immediately, with the rest likely to follow early next year.

This is because their money, held in accounts with Lloyds bank, was not mixed with money from BCI, leaving them free from losses. Cheques will be sent out by first class post to these people today.

The 6,000 people who invested a further £47m, though, and whose money was held in accounts with Midland Bank, must await further hearings in Gibraltar and London, and negotiations between liquidators on either side, before they have any hope of a payment.

● The 11,000 investors in Barlow Clowes International may receive a report before Christmas from Ernst & Whinney on progress to date in recovering their £130m. However, Mr Hamilton said that it was too early to say when they could expect a repayment, or how much they would receive. At present he expects them to get back 30-40 per cent of their money.

EC bans price conditions on book exports

By William Dawkins in Brussels and Raymond Snoddy in London

THE EUROPEAN Commission ruled yesterday that it was illegal for British publishers to apply "net book" agreements setting minimum retail prices to sales of British books across EC frontiers.

The main effect of the decision will be on books from British publishers exported to Ireland where such an agreement had been in force since before the country won independence in 1921.

The net book agreement under which publishers set standard conditions for the sale of books to booksellers, obliges shops to sell above a minimum price apart from special discounts to schools and libraries.

The Commission ruled yesterday that: "The agreements restrict competition between publishers, as well as between booksellers, in respect of their individual discount polices and are incompatible with the EC's competition rules insofar as trade between member states is affected."

Mr Clive Bradley, director of the Publishers' Association (PA), the body representing most British publishers, said yesterday: "We believe the Commission have got it wrong and the result of getting it wrong is to militate against the furtherance of a single market in books."

The PA believes that the net book agreement is neither a cartel nor a restrictive practice, but a voluntary measure which helps to make a high number of titles available to consumers and to more booksellers.

In a recent survey of PA members, 74 per cent came out in favour of a continuation of the agreement.

The Commission argued that the UK scheme was not essential to improving the distribution and publication of books in the Community – one of the very few grounds under which Brussels is empowered to exempt agreements such as this from EC competition restrictions.

"An efficient publication and distribution system for books is essential to the development of the medium," the Commission added. But the agreement "was not indispensable."

Yesterday's ban applies immediately although British publishers have the option to appeal against the decision in the European Court of Justice – a process which could take two years.

The Publishers' Association was yesterday awaiting a full copy of the Commission ruling before deciding what action to take.

Seven years ago, the Commission prohibited a price-fixing accord between the Dutch and Belgian book trade associations – a ban which was upheld after appeal in 1984.

Lex, Page 20

Independent broadcasting body may allow franchise takeovers

By Raymond Snoddy

THE INDEPENDENT Broadcasting Authority is seriously considering permitting agreed takeovers of Britain's 16 independent television companies before new legislation is introduced to govern UK broadcasting.

The likely policy change was outlined to the managing directors of Independent Television (ITV) companies yesterday and could lead to defensive takeovers in the sector as companies prepare for the auctioning of commercial television franchises in 1991-92.

The ITV companies have been asked for their views and the IBA will formally decide on the issue early next year. By then Mr George Russell will have taken over as IBA chairman from Lord Thomson who retires at the end of this year.

However, the IBA would consider takeovers in the three-year franchise extensions which run to the end of 1992 only where both existing shareholders and executive directors agree. No concentration of ownership is being considered so that ITV companies would not be allowed to take each other over.

The softening of the IBA's resistance to takeovers follows a Government white paper (policy document) on broadcasting which recommended that the absolute barrier to takeovers should be removed, although the authority has been looking at the possibility since April. Under Government proposals there would still be limits on the number of broadcasting licences an individual company can own.

Twice in the past three years the IBA, the regulatory body which the Government intends to replace by an Independent Television Commission, has blocked takeovers of ITV companies.

In 1985 the Authority blocked the Carlton Communications bid for Thames Television even though Mr Michael Green, the Carlton chairman, had the support of the major Thames shareholders Thorn EMI and BET.

In February 1986 the IBA blocked a contested £753m bid for Granada despite the fact that Granada's north west of England franchise accounted for about 20 per cent of group profits.

The IBA said at the time that it was acting in the defence of the principle that ITV franchises were not to be sold to the highest bidder.

In the light of the Government's view that takeovers in the British television industry could be a valuable source of new ideas the IBA's stance seems certain to change.

Lex, Page 20

Saunders wins battle for legal aid in Guinness takeover case

By Raymond Hughes, Law Courts Correspondent

MR ERNEST Saunders, former chairman and chief executive of Guinness, the drinks group, who was arrested in May last year, has won his battle for legal aid in his defence against 46 criminal charges relating to the Guinness takeover of Distillers, the whisky group.

A High Court judge said yesterday that Mr Saunders clearly needed legal assistance because he had no income and his assets were frozen.

However, Mr Justice Henry said that when the trial was over Mr Saunders could be made to contribute up to a maximum of £287,000 towards the costs of his defence. It has been estimated the costs will exceed £400,000.

Mr Saunders has incurred more than £1m in civil and criminal legal costs – of which about £662,000 remains unpaid – since early last year. Yesterday's grant of legal aid will not cover those costs.

The trial of Mr Saunders and his six co-defendants is expected to start late next summer and last more than six months.

Mr Saunders, who like the other defendants has been freed on £500,000 bail, made a succession of appearances at Bow Street magistrates court in London after his arrest. Most of his appearences were without legal representation.

He claimed he had no money to pay for lawyers, but his four pleas for legal aid were turned down because the Bow Street court did not believe his means were "such that he requires legal assistance."

The case was transferred last month to the Old Bailey court, enabling Mr Saunders to renew his application to Mr Justice Henry. It is believed Justice Henry will conduct the trial.

Yesterday the judge said it was desirable that all the defendants should be legally represented at what would be a long and complex trial. This would be in their interests and those of justice.

He said that after being sacked by Guinness in January last year, Mr Saunders' assets totalled about £860,000 and his wife's just under £600,000.

The couple had sold their jointly-owned home in Buckinghamshire, west of London, each taking about £420,000 of the proceeds. Mr Saunders had put his share in trust for his three children – about £180,000 of it being used to buy the house in Putney, London, where he and the children live.

After paying some £350,000 in legal fees, he had been left with about £90,000. This had been frozen by the High Court in civil proceedings brought against him by Guinness, for which Mr Saunders has already been granted legal aid.

Mr Saunders and his wife were living "separately and apart" – he in London and she in Switzerland. Her resources were in a Swiss trust, from which he had been frozen out, and could not be treated for legal aid purposes as being available to him, the judge said.

The question was whether, by giving the £420,000 to his children in March last year before any litigation started, Mr Saunders had deliberately deprived himself of capital. The timing was highly significant, the judge said.

"The storm clouds had already gathered . . . and it must have been obvious that there was a strong risk of litigation.

"It seems to me that the only reasonable conclusion . . . is that he was clearing the decks for action: rendering himself less attractive as a target for litigation as a defendant and, if he were to be a plaintiff in any litigation, less likely to be able to pay the defendant's costs should he be unsuccessful."

The judge ruled that the £420,000 given to the children was to be treated as part of Mr Saunders' resources. From that should be deducted the £180,000 paid for the house and £40,000 living expenses for Mr Saunders from March last year until the end of the trial.

That left £200,000, to which had to be added the frozen £90,000. Deducting the £3,000 capital permitted under the legal aid regulations, the final figure was £287,000.

The judge said that as little or none of that money was immediately available, Mr Saunders would not be required to make any contribution before the trial ended.

Clapham rail crash toll drops to 33

By Kevin Brown, Transport Correspondent

THE DEATH toll from the Clapham Junction train crash in south London on Monday morning dropped to 33 last night. Scotland Yard said the total had been miscounted because of the severity of injuries to some passengers.

Scotland Yard said none of the dead passengers would be named until post mortem examinations had been carried out. Many of the dead were identified only through papers and clothing found in the crash.

A further 50 passengers were still being detained at St George's Hospital, Tooting, last night. Two had "very serious" injuries, and 22 others were described as "serious."

British Rail (BR) said it would issue cheques for £2,000 "as soon as possible" to families in need of financial assistance because of the accident.

BR said it would also cover funeral expenses, travel for anyone visiting injured relatives in hospital, and hotel accommodation over Christmas if required.

The Law Society, a professional body, opened a disaster co-ordination service.

A steering committee to represent solicitors pursuing claims will be set up later this week. BR has accepted responsibility for the accident.

The train driver who died in the crash was named as Mr John Rolls, from Northbourne, Bournemouth.

He had been driving the route for 20 years.

Mr Rolls, 54, was married with two children. He died after his train ran into the rear of a stationary train.

BR investigators were waiting to talk to Mr Alexander McClymont, the driver of the other train, to confirm that he stopped to report a faulty signal.

Southern Region said a claim that signals controllers had been told about the fault hours before the crash was being investigated.

Officials were also trying to find out whether fail-safe mechanisms built into the signalling system had malfunctioned.

M.L. Engineering, the company which supplied some of the equipment for a signals modernisation programme at Clapham Junction, said it had been told by BR that its equipment had been cleared of blame.

The last of the damaged coaches was removed at mid-morning yesterday, and services on two of the four tracks resumed at 4 p.m.

Around 50 per cent of trains ran last night, although some destinations were still served only by bus.

BR said services were expected to return "almost to normal" from 6 a.m. this morning, after around 440 metres of track had been relaid.

A small number of cancellations was likely, however.

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LEGAL NOTICES

IN THE SUPREME COURT OF BERMUDA
Companies (Winding Up) No of 1988
IN THE MATTER OF
THE COMPANIES ACT, 1981
and
IN THE MATTER OF
CAMBRIDGE REINSURANCE LIMITED

NOTICE OF INTENTION TO DECLARE DIVIDEND

A first dividend is intended to be declared by the Joint Liquidators of Cambridge Reinsurance Limited in Liquidation ("the Company").

Creditors of the Company who have not received or do not receive Information Forms setting out the Joint Liquidators' valuation of their claim in the liquidation are required to prove their debts by 15 January 1989. Those Insurance Creditors who receive Information Forms and who wish to object to the Joint Liquidators' valuation of their claim file a Notice of Appeal against Valuation by 28 February 1989 as directed by an order of the Supreme Court of Bermuda dated 7 December 1988. Creditors who do not prove their debts in either of the ways prescribed above will be excluded from this dividend, or from objecting to such dividend.

Dated this 6 day of December, 1988

D.E.W. Linse — G.A. Weiss
Joint Liquidators
Cambridge Reinsurance Limited (In Liquidation)
P.O. Box HM 2079
Hamilton
Bermuda HM HX

If creditors require any further information then the Joint Liquidators should be contacted at the above mentioned postal address.

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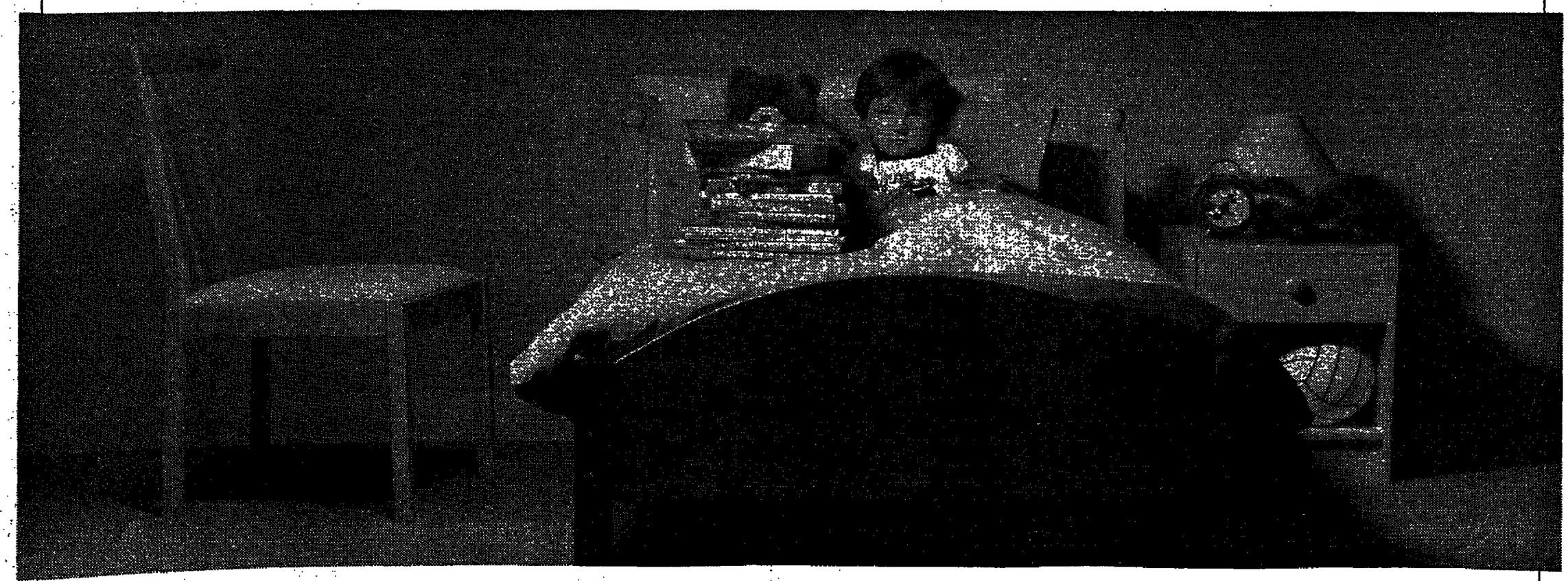

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Extradition ruling stokes Westminster fury

Charles Hodgson and Kieran Cooke on the latest Ryan affair twist

The decision yesterday by Mr John Murray, the Irish Attorney General, to refuse Britain's application for the extradition of Mr Patrick Ryan, the former Irish priest wanted for alleged terrorist offences, appeared to come as little surprise in Whitehall.

Once the Irish authorities had ignored Britain's request to arrest Mr Ryan on his arrival in Dublin from Belgium, there was little optimism among British officials about the eventual outcome.

Nevertheless, the ruling, on the grounds that media coverage of the case and the bitter remarks by Mrs Margaret Thatcher, the Prime Minister and other Tory MPs about Mr Ryan in the House of Commons Commons had jeopardised the chances of him receiving a fair trial, stoked renewed fury at Dublin among Tory MPs. It has also brought ritual demands for the scrapping of the Anglo-Irish agreement which has given Dublin a say in the affairs of Ulster.

Mr Murray decided that in view of the publicity surrounding the Ryan case, much of it seriously prejudicial, and because of certain statements on the affair made in the House of Commons, Mr Ryan would not be able to have a "non-biased trial" in Britain. No amount of direction from a

Charles Haughey

trial judge could alter that fact, he said.

Opponents of the three-year old Anglo-Irish accord both among the Unionist community in Northern Ireland and at Westminster saw the decision as further evidence of Dublin's lack of faith and as reinforcing the view that the Irish Republic is a "safe haven for terrorists".

The further sharp cooling in relations over the Ryan affair comes at the end of an already very testing year in Anglo-Irish relations. Yet despite frequent recent tensions, both London and Dublin have repeatedly stressed their commitment to the agreement with Mrs Margaret Thatcher telling MPs yesterday that it offered each side an opportunity to put its case directly to the other and that Britain would make its point over extradition "very, very vigorously indeed".

This task will fall to Mr Tom King, the Northern Ireland Secretary, who meets Mr Brian Lenihan, the Irish Foreign Minister, in Belfast today for what was to have been a routine session of the Anglo-Irish intergovernmental conference.

The talks, due to centre on the administration of justice in Northern Ireland, will now be overshadowed by the Ryan affair and are certain to be tense. Nevertheless, the British feel that the Anglo-Irish agreement exists in large part precisely to provide a mechanism for defusing rows such as the Ryan affair and to act as a forum for thrashing out differences.

As Mrs Thatcher made clearin the Commons, what is at issue in the Ryan affair is not the Anglo-Irish agreement but extradition arrangements between the two countries, which are "plainly not working" and which, Britain insists, need to be overhauled. Mrs Thatcher blames changes brought in by the Irish government last year and made permanent by the Irish parliament only last week for the breakdown of the Ryan extradition case.

John Murray

These changes are designed to provide safeguards for the subjects of extradition proceedings, by requiring the Irish Attorney General to satisfy himself firstly that there is "a sufficiency of evidence" and secondly that there is a clear intention to prosecute.

Yet despite British complaints about Irish extradition law, it is clear that yesterday's decision was not taken on the basis of doubts arising from either of these safeguards, since Mr Murray appeared satisfied that there were "serious charges" to answer on two of the four warrants against Mr Ryan. Mr Murray made his ruling on the basis of his constitutional duty to ensure that Irish citizens receive a fair trail both at home and abroad.

To many in the Republic and in Britain, Mr Murray's conclusion will be seen as an attack on the nature of the system of justice in Britain. Although he stressed that this was a unique case, it seems inevitable that official backing will now be seen to have been given to a widely held view within Ireland: there can be no justice for an Irish person in a British court.

Mr Murray's statement is, therefore, likely to make any future extradition requests by Britain all the more difficult. In future the British will feel they have not only to satisfy Irish legal requirements: they must also ensure that there is no adverse media or political comment which the Irish might feel would influence proceedings in a British court. This, as the Irish well know, is almost impossible to achieve.

While the Irish media have tended to faithfully follow the Government line on the Ryan affair, there has also been much prejudicial comment in the Republic. And while Mr Charles Haughey, the Irish Prime Minister, has insisted that extradition is a judicial and not political affair, Mr Murray, like his British counterpart, is a political and not judicial appointment.

Daf may use British offshoot's quality drive as group example

By Kevin Done, Motor Industry Correspondent

LEYLAND DAF, the UK subsidiary of Daf, the Dutch commercial vehicle maker, claims to have reaped important benefits from a two-year quality improvement programme. This has cut by nearly two-thirds the number of defects per vehicle and has substantially reduced the company's warranty costs.

The system is under consideration as a model for the entire Daf group.

Daf is the fifth largest truck maker in West Europe and claims second place in the UK market, close behind Iveco Ford, after it took over the Leyland truck operations from Rover Group in April last year.

The so-called total quality programme – headed by a newly-appointed director of quality – was introduced in 1986 when the company was losing money heavily. It is part of the effort to improve its performance and make it more attractive to a potential purchaser.

Since January 1987 Leyland Daf claims that it has reduced the average number of defects which need to be rectified as the vehicle comes off the assembly line from 28 to 10 per vehicle.

At the same time the truck operation, based at Leyland, Lancashire, has reduced its overall warranty bill by around £1m or some 10 per cent over the last two years, despite a doubling of production.

The plant produced just under 8,500 trucks in 1986, but this year output will reach more than 13,000 and the plant is at present producing at a rate of 68 trucks a day or 16,000 vehicles a year.

In the last two years the Leyland truck plant, one of the UK's biggest commercial vehicle assembly operations, has improved the number of vehicles coming off the assembly line "right first time" to more than 90 per cent of the total from 40 per cent at the beginning of 1987.

Productivity at the plant has improved from 8 trucks per employee per year to nearly 14.

The quality programme has hitherto focused on manufacturing, but it is increasingly being introduced into other functions including marketing, research, development and distribution, as well into the purchasing of components as Leyland Daf seeks to involve its suppliers in its quality improvement teams.

Mr Aart van der Padt, chairman of the Daf management board, said last week that the Leyland truck plant would be the main focus for future Daf growth, as its continental European plants in the Netherlands and Belgium were working at full capacity.

Daf has already transferred the production of about 1,000 units of its medium 1900 series trucks to Leyland for 1989, and Mr van der Padt said this was "only the first stage in a process" of consolidating the UK operations into the group's European production base.

The Leyland truck plant and the Birmingham-based Freight Rover van plant were working at much higher levels of output than before the merger last year but still had "plenty of untapped capacity", said Mr van der Padt.

He made it clear that Daf was planning further production increases at Leyland to take the plant beyond its present single-shift working.

Leyland Daf is currently in fierce competition with Volvo of Sweden and AWD, the former Bedford truck operations, to win a crucial order for military four-tonne general service trucks from the UK Ministry of Defence.

The MoD said that the contract would be awarded in mid-1989. Mr van der Padt said the contract could add 2,000 trucks a year or 8 per day to Leyland production from 1990. This is equivalent to some 12 per cent of present output.

Building boom sends demand for machinery to 10-year high

By Nick Garnett

SALES OF construction and earth moving machinery in the UK have jumped by more than a quarter in unit terms this year, probably the biggest increase in demand ever registered.

Demand for machinery is at a 10-year high, according to the Corporate Intelligence Group, a London-based industry analyst which refers to sales this year as "phenomenal."

Total sales of equipment this year are expected to total just under 25,500 machines, according to an analysis of demand up to November by Corporate Intelligence. The comparison is based on unit sales of 15 main machinery types.

This compares with 19,700 last year and slightly under 14,000 in 1983.

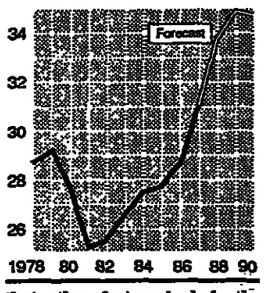
Corporate Intelligence says, however, that 1988 will probably be a peak year. "This does not mean that there will be any return to an early 1980s-style slump, more likely a healthy but unheated level of demand," the company says in its market report for November.

The main factor in the steep increase in machinery sales is the construction boom which is at an eight-year high.

Corporate Intelligence says

Construction output

£bn at 1985 prices



that other factors include the replacement of ageing equipment fleets by new machinery and rapid expansion of the fleet hire sector.

The jump in unit sales is not matched, however, by an increase in sales value.

This is because there has been a steady switch in the 1980s towards smaller, and less costly equipment which can be used to do several types of work.

This reflects the move towards housing, shopping precincts, small factory building and repair and maintenance work and away from major road construction projects.

Sales of rough terrain lift trucks, for example rose from 2,880 in 1987 to an expected 4,250 this year.

Backhoe loaders a – tractor-type vehicle with shovel in the front and digger in the back – had sales of 5,050 units last year but this is expected to rise to 6,500 this year.

JC Bamford, the UK's largest construction machinery company is the world's second largest backhoe manufacturer after Case of the US.

Since the early 1980s, however, the biggest increase in sales has been registered by mini-excavators, a type of machinery for which the Japanese dominate the world market.

Sales of this machinery in the UK numbered 515 in 1983.

The UK is now the world's biggest market for articulated dump trucks for which the country has two large British suppliers, DJB and Brown International.

Corporate Intelligence says it expects the machinery market to remain buoyant in the first quarter of next year.

Market report, £550 for yearly subscription. Corporate Intelligence Group, 51 Doughty St, London WC1N 2LS.

Trade deficit spurred by drop in oil prices

By Ralph Atkins, Economics Staff

EXCESS DEMAND in the economy has accounted for only half of the deterioration in Britain's trade position since 1985, according to a leading securities house.

Factors such as the run-down in oil production and underlying trends in imports and exports have also contributed to the deficit, says a report by CL-Alexanders, Laing & Cruickshank.

It says that in the last three years the visible trade balance (which excludes services) has deteriorated by £18.5bn into deficit. Of this, excess demand has accounted for £9.25bn.

The remainder is explained by other three factors:

- The effects of the steep fall in the oil prices at the beginning of 1986 and the subsequent general run-down in production. This is estimated to have accounted for £5.7bn of the total deterioration.
- Underlying trends which have boosted imports and reduced exports are estimated to account for nearly £2.75bn. These could include trends such as British consumers' demand for more choice and the failure of exporters to meet delivery schedules.
- A loss of competitiveness. This, the report says, is less important than might be expected and accounts for only about £500m of the deterioration.

The report says: "To remove the excess demand, consumer spending would have to be more than 7 per cent less than current levels which suggests average sustainable growth over the last three years of only 2.5 per cent, compared with an outturn of 5.4 per cent."

It also says that growth in gross domestic product would have been lower – at about 2.5 per cent instead of 3.5 per cent.

The report adds: "Even this lower rate of growth would still have entailed the balance of payments going into deficit because of the fall in the oil balance and the trend factors. A case could be made that the elimination of deficits caused by these factors would have necessitated even slower overall growth."

Quadrex appeal begins

By Financial Times Reporter

APPEALS BY Quadrex Holdings, the New York-based securities company, against two High Court judgments finding it liable to British & Commonwealth Holdings for breach of contract and ordering it to pay £75m interim damages began yesterday in the Court of Appeal in London.

They are being heard together and are expected to last five days according to lawyers for B&C.

The judgments were made in a dispute over a contract for the sale by B&C to Quadrex for £280m of M.W. Marshall, the world's second largest money broker, and William Street, a US Government securities broker.

Quadrex failed to complete the contract.

Culham joins US group in Star Wars arms project

Britain bids for biggest SDI deal

By David Fishlock, Science Editor

BRITAIN is participating in a space beam weapon project which could provide its biggest contract yet from the US Strategic Defence Initiative, or Star Wars, research programme, worth as much as £9m to the UK Atomic Energy Authority over the next four years.

The Culham Laboratory near Oxford, in southern England, is to link with Grumman Corporation, US aerospace company, in building a demonstration beam weapon for the US Army.

The prime contract, won by Grumman, consists of a one-year design contract worth $5.8m, expected to be followed by a three-year $45.8m contract to build and operate the demonstrator.

The demonstrator is expected to approach the energy levels of the final beam weapon, as envisaged by the US Army for use in space.

If successful, this ground-based project will lead to a beam weapon for demonstration in space.

Dr Peter Orman, Culham's commercial director, confirmed the Oxford company's contract could be worth $14m for the design of the source of the beam, a generator of neutralised deuterium (heavy hydrogen) ions.

It will involve a team of about 30 scientists headed by Dr Tom Green, who has specialised in the development of similar ion sources for research into harnessing nuclear fusion.

Culham has also worked with the Los Alamos National Laboratory in New Mexico on earlier beam experiments for the SDI programme.

Culham was also proposed as sub-contractor for a rival bid submitted by Boeing, US aerospace group, which failed to get the US Army contract for the continuous wave deuterium demonstrator.

Grumman participated in the design and development of the leading US fusion research project, at Princeton, New Jersey.

The neutral particle beam is seen as complementary to high-power lasers as a directed-energy weapon for attacking missiles and warheads at long range.

Such weapons are expected to have the advantage over more conventional ordnance of travelling at or near the speed of light, to arrive like a thunderbolt striking the target.

Normally, a beam of ions would carry an electrical charge, but the deuterium ions will be neutralised as they leave the generator, so the beam will not be deflected by magnetic fields in space.

The neutral particle beam damages its target by dumping its energy deep inside, "blinding" electronics and detonating fuel and explosives, whereas the laser beam deposits its energy at the surface.

SDI scientists say the neutral particle beam has an additional advantage in being able to discriminate between warheads and the much lighter balloon-like decoys released at the same time to confuse radar detection.

When the beam encounters a nuclear warhead it releases characteristic nuclear particles which can be pinpointed at long range.

Grumman has developed a design for a neutral particle beam battle station and discriminator for the US Army Strategic Defence Command.

NOTICE OF REDEMPTION

MORTGAGE FUNDING CORPORATION NO. 1 PLC

Class A-1 Mortgage Backed Floating Rate Notes
Due March 2020

NOTICE IS HEREBY GIVEN to the holders of the Class A-1 Mortgage Backed Floating Rate Notes Due March 2020 (the "Class A-1 Notes") of Mortgage Funding Corporation No. 1 PLC (the "Issuer") that, pursuant to the Trust Deed dated 3rd March, 1988 (the "Trust Deed"), between the Issuer and Bankers Trustee Company Limited (the "Trustee"), and the Agency Agreement dated 3rd March, 1988 (the "Agency Agreement"), between the Issuer and Morgan Guaranty Trust Company of New York (the "Principal Paying Agent") the Issuer has determined that according to the Mandatory and Optional Redemption provisions thereof Available Capital Funds in the amount of £10,000,000 will be utilized on 30th December, 1988 (the "Redemption Date") to redeem a like amount, £10,000,000 of Class A-1 Notes. The Class A-1 Notes selected for redemption on 30th December, 1988 at a redemption price (the "Redemption Price") equal to their principal amount, together with accrued interest thereon are as follows:

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23	158	327	561	766	963	1150	1293	1415	1618
28	175	378	588	793	965	1186	1310	1476	1628
50	184	409	606	837	1008	1164	1322	1497	1641
67	201	423	640	839	1018	1205	1351	1515	1662
73	211	452	650	865	1049	1207	1355	1519	1664
84	212	467	690	879	1057	1215	1356	1525	1684
103	251	478	693	891	1074	1246	1386	1563	1710
117	270	502	696	904	1096	1260	1401	1566	1714
122	273	521	729	906	1105	1268	1406	1584	1716
133	304	555	753	960	1115	1288	1414	1596	1744

The Class A-1 Notes may be surrendered for redemption at any of the following paying agencies:

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1 Angel Court
London EC2R 7AE

Morgan Guaranty Trust Company of New York
Avenue des Arts 35
B-1040 Brussels, Belgium

Union de Banques Suisses (Luxembourg) SA
36-38 Grand-rue
L-2011 Luxembourg

Morgan Guaranty Trust Company of New York
30 West Broadway
New York, New York 10015
Attn: Corporate Trust Operations

On or after the Redemption Date, the Redemption Price of the Class A-1 Notes will be paid upon presentation and surrender of the Class A-1 Notes together with all unmatured coupons appertaining thereto. Such payment will be made (i) in sterling at the specified office of the Paying Agent in London or (ii) at any specified office of any Paying Agent listed above by sterling cheque drawn on, or at the option of the holder by transfer to a sterling account maintained by the payee with, a Town Clearing branch of a bank in London. On or after the Redemption Date interest shall cease to accrue on the Class A-1 Notes. Coupons due on the Redemption Date should be collected in the usual manner.

MORTGAGE FUNDING CORPORATION NO. 1 PLC
By: MORGAN GUARANTY TRUST COMPANY OF NEW YORK, *Principal Paying Agent*

Dated: December 14, 1988

NOTICE

Withholding of 20% of gross redemption proceeds of any payment made within the United States is required by the Interest and Dividend Tax Compliance Act of 1983 unless the paying agency has the correct taxpayer identification number (social security or employer identification number) or exemption certificate of the Payee. Please furnish a properly completed Form W-9 or exemption certificate or equivalent if presenting your Class A-1 Notes to the paying agency's New York Office.

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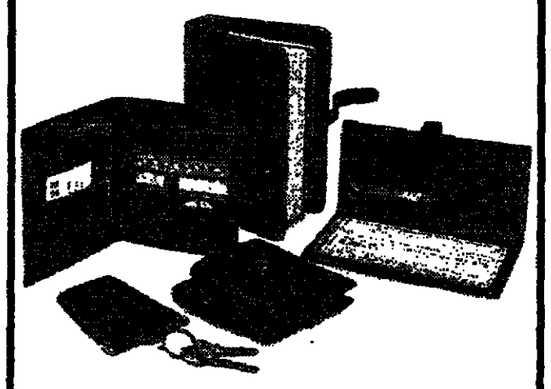

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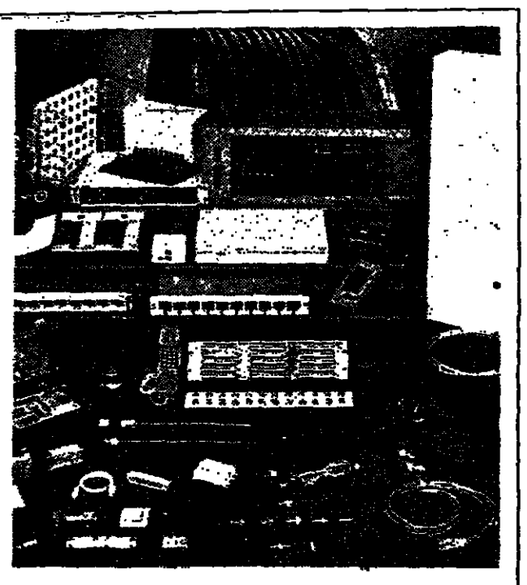

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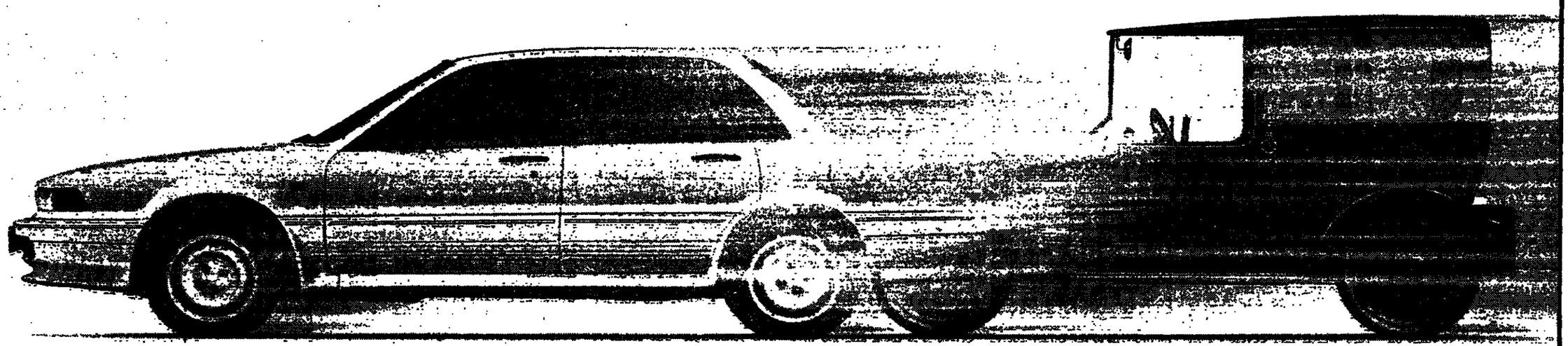
71 years old, 18 years young



and yet, 0 years old now.

Mitsubishi Motors Corporation starts a new life as a public company.

71 years ago, Mitsubishi Shipbuilding Co., Ltd. and subsequently Mitsubishi Heavy Industries Ltd., gave life to Japan's first production series passenger car, the Model A. This was the start of an illustrious history of developing many of the country's firsts in the transport field and earning a reputation as one of the pioneers of industrial Japan. In the air, on land and on the sea, Mitsubishi technology forged inroads to help advance the modes of commercial and personal transport.

18 years ago, Mitsubishi Motors Corporation came into being through taking over the automotive manufacturing side of operations. Concentrating solely on the production of quality motor vehicles allowed them to make tremendous advances in rapid succession. Access to vast resources and varied fields of expertise through their close relationship with the other members of the Mitsubishi family has been an invaluable source of technological innovation and enables them to manufacture such a wide variety of vehicles; from 548cc minicars to 17,737cc truck tractors. And today, this tradition of pioneering advances in the automotive industry continues in the development of superb passenger cars like the Galant.

And now 0 years old, Mitsubishi Motors Corporation starts a new life as a public company, having been listed in the first section of the Tokyo Stock Exchange in December, 1988. To enable them to increase operating capital, it was seen as a timely move by the company and coincides with another important birthday; the roll-off of Diamond Star Motors' first vehicle produced in the United States. The fruits of a 50/50 joint venture between Mitsubishi Motors and the Chrysler Corporation.

MITSUBISHI MOTORS

London Underground

Mustering the front line troops under 'centurions'

Kevin Brown examines the new structure of an unpopular transport system

On the face of it, Denis Tunnicliffe, managing director of the London Underground, has one of the least enviable jobs in Britain.

Yet he takes an almost perverse pleasure in the scale of the problem facing the world's biggest, oldest, and most unloved urban metro system.

"I love exciting jobs. I like the challenge of a large organisation, I like the challenge of bringing it round," he says. "This is a great fun job."

Tunnicliffe joined the Underground in July, eight months after the disastrous fire at King's Cross which killed 31 people, and in the middle of a storm of public criticism.

The storm worsened last month, when Desmond Fennell QC, the judge appointed to investigate the fire, reported that it could have been foreseen, and that Underground managers had consistently given more attention to economy than to safety.

In a long catalogue of criticism, Fennell said there had been no efficient control of staff at King's Cross, poor communications, no evacuation planning, and an underlying view that fires were an occupational hazard.

Tunnicliffe was left holding the baby when Tony Ridley, the Underground chairman, resigned, following the example of Sir Keith Bright, chairman of London Regional Transport, the state-owned holding company.

His first action when the report came out was to call in the Underground's top 300 managers "to give them a vision of where we go from here." This is a question also asked by many of the Underground's 800m passengers.

Part of the answer will lie with Paul Channon, the Secretary of State for Transport, who is currently considering a report on the rail needs of central London which will probably be published in February.

Channon will have to try to persuade the Cabinet to agree to the funding of new rail lines to ease severe overcrowding on both the Underground and British Rail's suburban services.

In the meantime, it falls to Tunnicliffe to implement a far-reaching management shake-up, which will have to change the culture of every corner of the Underground empire if it is to be effective.

Tunnicliffe insists that the shake-up is not a response to King's Cross – the first management review meetings were held in September 1987, two months before the fire.

But the structure now being put into place is designed to deal with the major faults pointed out by the Fennel inquiry, including the claim that no-one at King's Cross knew who was supposed to be in charge.

The themes are broad: outside experience to counteract the parochial attitudes of the old railway; simplicity, so that the system is easily understandable; and accountability, so that a named individual is responsible for every occurrence.

The shake-up starts with the board, which previously consisted mostly of executive directors – all career railwaymen – who sometimes showed an unwillingness to learn from professional outsiders.

The new main board includes a number of prominent outside experts, including Professor Brian Mellitt, of Birmingham University, as engineering director, John Hargreaves, formerly of Shell, as finance director, and Don Turner, a former planning manager at the British Airports Authority in a non-executive capacity.

Tunnicliffe himself was recruited from the aviation industry, where he was a pilot before becoming a senior general manager at British Airways, and later special adviser to Sir Colin Marshall, BA's chief executive.

Beneath the main board there will be a new executive board, including the heads of personnel, finance, engineering, passenger services, development and so on. This is intended to combat the departmental decision-making structure which had developed in the Underground by instilling a corporate sense of responsibility in senior managers.

But the core of the new structure is the division of the Underground system into 10 separate lines, each of which will have a general manager.

This is in stark contrast to the old management structure, under which the railway was run by the "four barons" – the directors of civil, signals, electrical and mechanical engineering. Each of these "barons" had broad responsibilities diffused over the whole system, but no-one was directly responsible, for example, for the lifts at individual stations.

The new structure also attempts to solve the problems caused by shiftworking, which in the past made it easy for front line managers to avoid responsibility when things went wrong.

There will now be a special grade of managers, known informally as "Centurions" who will work flexible hours so that they can come and go at any time to liaise face-to-face with shift workers.

The theory of this innovation is that, for example, the duty station manager at Embankment, who will be a shift worker, will report direct to a "Centurion" station manager, who will be responsible to the general manager for everything that happens in the station.

This system will introduce the element of direct personal responsibility for events which was largely missing from the previous structure.

Tunnicliffe says the new structure will reduce the vertical layers of management from around 15 (no-one is quite sure how the old system was supposed to work) to six.

The key appointments are the general managers, who will be responsible for safety, costs and revenue, personnel, marketing, and train services. Some of these services will have to be ordered from company-wide divisions, such as the engineering department.

Tunnicliffe is at pains to point out that plans for dramatic change were under way before he arrived. But he says he brought to the Underground "the knowledge that change is possible in big customer-oriented service industries, and that accounting changes can bust big businesses up into small ones.

"There was a feeling that this was too big a business to have a natural human scale, but it can be done and we have found a way to do it.

Tunnicliffe accepts that there are important differences between the airline industry and the underground but insists that improvements can be made. "We have to get the best out of our front line troops. They are never going to come round and offer customers a gin and tonic because there are certain logistical problems. But once we have redesigned the jobs so that people have a clear idea what their role is and who their boss is then we can help them with proper training; this can be done in any industry.

"McDonalds has shown the way in this – you don't have to have very highly paid and highly educated people to treat the public properly."

The final area which the management shake-up has to address is safety, which Fennell concluded was taken for granted by most Underground managers. Prime responsibility will lie with the line general managers. But Tunnicliffe identifies two problems with this:

- Reporting upwards is usually by culpable managers, which means that information may not reach the top of the management chain quickly;
- Shifting safety responsibility down to line managers could mean there would be no across the board responsibility or hazard analysis.

The solution identified by Tunnicliffe is to establish a new safety unit, headed by another director brought in from outside the Underground, which will "peer in from the side" at management.

"The safety unit will review the performance of general managers and provide research help and advice. But what managers have to remember is that if, God forbid, there should be another King's Cross, it is them and me who go into the witness box, not the safety unit," Tunnicliffe says.

The chain of command starts with Denis Tunnicliffe (top), the managing director; each of the ten lines is headed by a general manager – Ann Blackburn runs the Jubilee Line, and Mike Strzelecki the Central Line

The new line management

The key element in the reorganisation of the Underground is the decision to make each of the ten lines a discrete business centre, headed by a general manager accountable to the board. This is the first time the Underground has been divided in this way, and the performance of the 10 general managers will be crucial to the success of the new structure.

There are a number of common factors in the selection of the ten: they are all relatively young - the youngest is 27, the oldest 44; all have worked in areas other than train operations; and several were involved in the review which drew up the new structure.

One of these is Mike Strzelecki, 37, the new general manager of the Central Line, who will have the task of overseeing a £720m modernisation programme due for completion in 1996.

Strzelecki, a civil engineer who does not lack self-confidence, says it was his proposal to Tony Ridley, the former chairman of the Underground, which got the review started two years ago. "The chain of command was not clear, and there was confusion. It was tremendously complex and there were problems of accountability - a classic bureaucratic tendency to pass the decision making process upwards. Also, internal communications were totally inadequate."

Strzelecki says the new structure is capable of bringing about a revolution in management efficiency, especially in getting the best out of the Underground's shift-workers, who tend to be the staff who meet the public.

"Some of these people have been very poorly treated over the years. There is uncertainty, and morale is not good, but it can be cured by clear lines of command and face-to-face contact.

"Sickness and absenteeism is frankly appalling; that is a clear indication of lousy management systems in the past, and the Centurion system will help to solve that problem."

Ann Blackburn, 44, the new general manager of the Jubilee Line, says the quality of Underground management has been unfairly criticised, particularly since the King's Cross disaster.

"There is nothing inherently wrong with many of the managers of the Underground; all they need is the (right) environment in which to operate," she says. "There are a lot of people who are bursting out of their jobs, who need an opportunity to show what they can do. There is a lot of talent around. But there will be individuals who will not make it."

Blackburn, who joined the old municipally-owned London Transport organisation as a secretary in 1972, is herself an example of promotion on merit. She transferred to personnel management in 1975, and was appointed the Underground's organisation and development manager in 1987. She, too, was closely involved in the management review and thus the new structure.

"I don't think it matters where you learn your skills of management. What matters is whether you are able to do the job, and the new system is designed to identify the people who will be able to provide what is needed," she says.

Blackburn says it is important that the new general managers have not been drawn en bloc from the operations department, which is currently responsible for train services.

"The problem with being a train operator is that you carry on playing trains. But I have never played trains, and neither has Mike. There are too many people around here who have been playing trains for years. But now there are many people who are prepared to challenge the old traditions and the old practices."

BIM's user-friendly helpline

By Michael Skapinker

EARLIER THIS year, the British Institute of Management revealed that many managers do not know how to use their company's computer systems.*

Those same managers, however, often require information available only through a computer.

The BIM has now come to the rescue, with a new service called Helpline. Peter Benton, the BIM's director general, says that even managers who are unfamiliar with computers should be able to learn how to use the service.

Helpline aims to provide managers with a simple way of gaining access to the BIM's own database of articles, abstracts and information about courses and training. Helpline also provides access to three other databases: Reuter Textline, Jordans and Infocheck.

Developing

Helpline was first announced at the BIM's national management conference late last year. The Institute spent £200,000 developing the service. An additional £90,000 was provided by the Department of Trade and Industry.

To use Helpline, managers need a microcomputer, modem, printer and the necessary communication software. It costs £100 for BIM members to register with Helpline and £200 for non-members. In return, users receive a password to the system, a manual, and half a day's training in either London or Corby.

After that, it costs £40 an hour for BIM members to use the Institute's own database. The cost for non-members is £80. The price for use of the other databases is £100 an hour for Reuter Textline, £165 for Jordans and £240 for Infocheck.

Further information on Helpline can be obtained from the BIM at Management House, Cottingham Road, Corby, Northants NN17 1TT. Tel: 0536-204222.

**Managers and IT Competence, from BIM.*

Where cleanliness is next to good chip yields

Louise Kehoe examines the challenge posed to established US and Japanese semiconductor makers by a precocious newcomer

Eagle eye IN JAPAN

About two hours south of Tokyo by train, in the wooded hills of the Chiba peninsula, is one of the most advanced semiconductor production facilities in the world.

This is not, as one might assume, a factory belonging to one of Japan's electronic giants. Rather, it is the headquarters of NMB Semiconductor, a Japanese start-up venture funded by Minebea Co, the ball-bearing manufacturer.

NMB is in the forefront of a new generation of Japanese chip makers: companies being formed by large industrial conglomerates seeking new growth markets. On the heels of NMB's success, Kawasaki Steel, Nippon Steel and others are planning diversification into chip production.

In the four years since it was founded, NMB has not only advanced the state of the art of chip production, but also become the fifth largest supplier in the world of 256K D-Ram (dynamic random access memory) chips. It has churned out more than 40m chips in the past year to achieve a 9 per cent market share.

Regarded at first as an industry maverick, NMB is quickly gaining the respect of industry leaders. Yet this newcomer to the chip world is strikingly different from any US semiconductor start-up, and also contrasts with the established chip producers in Japan.

Whereas most recent US semiconductor ventures have begun as chip design teams, only some of which have been able to raise the capital to construct their own fabrication plants, NMB was in the business of mass producing chips from day one.

NMB has invested $340m (£185m) in plant construction and equipment to build two production lines which are widely regarded as the most sophisticated and most automated of their kind. The company is about to begin construction of a new facility, which will house two more lines.

Rather than attempting to design its own chips, NMB bought its first chip design from Inmos, the UK semiconductor company, in the summer of 1984 – the year the UK Government sold Inmos to Thorn EMI. The high speed 256K D-Ram, designed at Inmos's now defunct Colorado Springs operation, represents NMB's highest volume product, selling to leading computer workstation and personal computer manufacturers.

Indeed, the Japanese company has adopted much of the original product strategy of the British venture, focusing on high speed, high performance memory chips that command a premium price.

Over the past three years, NMB has begun building up its own chip design expertise through technology alliances with US companies, including Vitelic, Lattice Semiconductor and Ramtron, all start-up companies. NMB has also acted as a "foundry" for other US chip makers, producing memory chips on their behalf.

Ramtron's alliance with NMB, signed in October, demonstrates the marriage of US design and Japanese production skills which has been the cornerstone of NMB's growth. Ramtron has developed, in laboratory prototype form, a new type of memory chip that promises significant performance advantages. With NMB, it aims to commercialise its technology and develop a new type of 4 Mbit D-Ram.

NMB will provide the production facility that Ramtron could not hope to build for itself. "We have spent four years and $30m developing our technology. The kind of capital that would be needed to build a production facility – perhaps $350m – is just not available in the US," says Richard Horton, Ramtron president.

He says of NMB: "They are not bogged down by the bureaucracy that you find at large US, European or Japanese semiconductor companies; and they are not afflicted by the blindness or pride that prevents many companies from acknowledging the value of technology that is 'not invented here'."

Indeed the differences between NMB and the established Japanese chip producers go well beyond its style or business culture.

Unlike the giants of the Japanese semiconductor industry, NMB is not encumbered by a large workforce to which it owes life-time employment. This has freed the company to establish a highly automated chip fabrication plant. Forty operators, in two shifts, comprise the entire production line workforce. The semi-automated plants operated by other D-Ram manufacturers typically have several hundred workers per shift.

In semiconductor production, the primary advantage of automation is not, however, reduced labour costs, but increased cleanliness. By reducing the number of workers in the production area, air contaminants that can ruin the microscopic patterns etched on a semiconductor chip are kept to a minimum. Using advanced computer-aided manufacturing technology, NMB has removed workers from the critical production areas.

To ensure the highest possible level of cleanliness, the "active" areas, to which the silicon wafers are exposed, are separated from the areas open to operators. In the active areas, NMB maintains a "class 1" environment, meaning that there is less than one particle with a diameter of 0.2 micron (millionth of a metre) per cu ft of air. This represents at least a tenfold improvement over most other semiconductor plants.

The obsession with cleanliness extends beyond the production area. Visitors to the building are required to remove their shoes, in traditional Japanese style. Tradition has nothing to do, however, with the no-smoking policy; it applies throughout the offices, which is unheard of in Japan.

Viewing the plant through the glass walls that separate three levels of progressively cleaner air, it is difficult to tell that anything is happening. Only the movements of silent robots and an overhead transport system hint at the progress of silicon wafers through the fabrication process.

"Visitors typically ask if the workers are on holiday," says Shosuke Shinoda, chief operating officer, who has given guided tours of the plant to senior engineers from US and Japanese semiconductor companies. "We do not feel that we need to keep our plant a secret," he says. Such openness is unusual, especially in Japan.

Although US experts praise NMB's approach to chip production, they do point out that the highly automated plant is less flexible than most and would not be well suited to the production of a wide variety of chips.

NMB acknowledges that it can take two or three weeks to rejig its lines for a new product. But it says that this is balanced by the higher yields of good chips achieved through automation. The 80 per cent yield of good chips that it claims to be getting on its 256K D-Ram chips is far higher than the figure for competitors.

Many would consider the plant's location – well out of the Tokyo metropolitan area – a disadvantage. But NMB's managers prefer the clean air, clean water and open spaces of their hillside "ranch". They point out that the company helicopter takes only 30 minutes to reach Tokyo.

Whereas other Japanese chip plants have dormitories to house the women who typically work on the production lines, NMB provides an "American village" of Western-style homes for its engineers. Company facilities also include a "mansion" for the chief executive, a large home for his second-in-command, a spacious guest house and a swimming pool.

Such attention to the environment is extraordinary in a country where land prices normally preclude such extravagances. It is, however, an important element of NMB's effort to attract the best and brightest graduate engineers, who might otherwise be drawn to the safe harbours of Japan's leading electronics companies. Managers at NMB include some executives from the parent company, but day-to-day operations are led by semiconductor experts lured from other companies.

NMB sells its products through affiliated marketing companies in Japan, the US and Europe. Sales for 1988 are expected to total more than $270m and the company has been profitable on a monthly basis since August 1987.

Next year, NMB will build up production of 1 Mbit D-Rams and begin construction of its third production line in a new building close to the original site. This will produce the next generation of D-Rams – 4 Mbit – which NMB expects to start making next year.

So far, the company has ridden the crest of a wave of prosperity in the semiconductor business. That wave may, according to some analysts, break next year as the industry moves into a cyclical slowdown. It remains to be seen how NMB will weather the different conditions. Company executives are confident that they can reduce production costs if prices slump.

NMB's manufacturing prowess demonstrates the urgent need to upgrade US chip fabrication technology. It is the Japanese company's ability to acquire chip designs, through licensing and partnership arrangements, from US-based companies that is most worrying to leaders of the US semiconductor industry.

Some accuse the US start-ups of "selling the crown jewels" by dealing with a Japanese company. Yet where else can they find a company with the resources and willingness to take a risk on unproven chip designs?

A standard answer to electronic mail's language barriers

By Hugo Dixon

IF YOU were unable to send a letter abroad because foreign post offices could not read the English language, you would probably be frustrated. You might also suggest that the world's post offices each employed a few linguists to sort out the problem.

A similar frustration is felt by people who want to send each other electronic mail. Their problem is not simply an inability to communicate across international frontiers; they often cannot even send each other messages within the same country because their computers are speaking different dialects.

The solution to these problems – called X.400 – is now at hand, according to a report* published this month by Ovum, the London-based market researchers. X.400 is a communications standard which allows electronic mail systems, which speak different languages, to talk to each other.

It also enables incompatible electronic data interchange (EDI) systems – a type of electronic mail which companies use to order goods from suppliers – to communicate.

Both the electronic mail and the EDI markets are in their infancy, but they are growing so rapidly that the need to link together different systems has become pressing.

X.400 was developed in 1984 by the CCITT, the international telecommunications standards body, but so far only 500 computers in the world use it. This is partly because software incorporating the X.400 standard has only recently come on to the market.

Ovum now expects X.400 to take off rapidly, with 650,000 computers using it by 1994. It will be implemented more rapidly than any other major standard in the information technology industry, say the authors of the report.

One reason for this optimism is that X.400 was adopted earlier this year by the International Standards Organisation (ISO) as part of its drive towards open communications systems. X.400 is the first application to be ratified by the ISO in its Open System Interconnection campaign.

A second reason for the upbeat assessment is that there is growing demand from consumers for a more widespread use of electronic mail. Case studies in the report show that the most popular reason for adopting X.400 is that large organisations want to connect several incompatible private electronic mail systems. For example, Hoechst, the West German chemicals company, is using X.400 to connect internal electronic mail systems developed by IBM, DEC, Hewlett-Packard and others.

This, however, is only the beginning of the process. The big step forward for X.400 will come when public electronic mail systems, such as British Telecom's Telecom Gold, are linked. At present, people using Telecom Gold can communicate with anybody else on the same system but not with those using Mercury Communications' Link 7500.

Ovum reports that public electronic mail systems in the US, France and the UK are beginning to connect their networks with private systems. However, connecting two or more public systems raises tricky questions of tariffing and competition.

It is in the interests of a company operating a small public system to connect it with a larger system, because it can then offer its customers the chance to send mail to a much larger number of people. But it may be in the interests of the larger system to refuse to link up and so try to stifle its smaller competitor. Whatever the competitive arguments of the operators, it is clearly to the advantage of customers that as many systems are linked up as possible.

Competition considerations will also influence how electronic mail systems are linked internationally. The traditional approach in the telecommunications world would be for the monopoly operators in each country to collaborate with each other. Ovum, however, thinks that the progressive liberalisation of the world's telecommunications markets and competition from computer companies will turn what is expected to be a juicy source of revenues into a free-for-all.

** X.400 Markets: the Users Decide; Ovum, 7 Rathbone Street, W1P 1AF.*

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JOBS

Persistent threat of the type-casting trap

By Michael Dixon

YOU do not have to be a professional actor to run into type-casting trouble. That much is clear from letters and calls the Jobs column receives on average once every couple of weeks, although there has been a sudden increase of them in the past few days.

Normally, the people in question typically explain that while they like their present organisation, they want to change the type of work they do in it. But their attempts to do so through the established channels have been in vain. So they want to know what is the best way to proceed.

All I can do in reply, alas, is quote a line by John Donne: "If you find one, let me know." Nobody could be more perplexed than I am by the apparently still persisting law of employment which I first heard stated 30 years ago as: *In general, it is easier to change your company than your department.*

The strong type-casting tendency it describes seems senseless. The evident root of the idiocy is a belief that people's ability to do well in a job depends predominantly on their technical skill at it. That is usually not so. However great our technical expertise may be, we can rarely use it effectively unless we understand the business we are in and the people we have to work with.

When nobody with both kinds of proficiency is to hand, a choice must of course be made between them. But there is surely no reason for largely preferring either one to the other. Employers would have as much chance of good results by transferring someone knowing the business but unfamiliar with the job's technicalities, as they would by recruiting somebody knowing the technicalities but not the business.

My guess is that the real root of the type-casting lies in organisational politics. In most companies, the various sections are continually vying with one another in the power struggle. So the departmental chiefs are often chary of importing staff from other fiefs lest, since old loyalties die hard, they should betray their new department's secrets to the one they served before.

That objection, however, can scarcely apply to the half dozen people with type-casting problems who have contacted me this past week. For nobody is likely to feel loyalty to a former employer that has thrown them out.

The six were City of London securities-dealing staff dismissed by Morgan Grenfell. (Their plight is admittedly easier than that of the 2,000 Wearsiders shed by North East Shipbuilders, but I have not heard from any of them.)

The callers' inquiries shared a common theme. Convinced that the outlook is bad for securities workers of their kind, they are keen to convert themselves – at a reduced pay-level, of course – to some other specialism still in demand.

They are right to think that the finance sector remains short of skills. For example the latest survey by City recruiters Jonathan Wren cites various sorts of candidates with an average salary of £35,000-plus who got new jobs at rises of over 5 per cent. They included financial controllers, money-market managers, business-systems analysts, and credit and lending specialists as well as corporate- and project-finance people.

Hence finance concerns could well gain by converting displaced securities staff who, given their experience in the City, would take a comparatively short time to learn their new role. But although I promised to air the idea, I suspect the type-casting barrier is too strong to be shifted by good sense.

Position	Sector	Salary £	Value of additional rewards for each £1,000 of basic salary: Bonuses	Car	Pension	Mortgage	Others	Total
Chief executive	Industry	87,616	£140	£130	£120	nil	£10	£400
—do—	Finance	81,348	£160	£100	£170	£20	£10	£460
Finance head	Industry	48,331	£117	£143	£127	nil	£4	£391
—do—	Finance	37,725	£135	£137	£164	£51	£5	£492
Personnel head	Industry	35,805	£117	£159	£128	nil	nil	£404
—do—	Finance	36,538	£100	£166	£138	£89	£2	£495
D-P head	Industry	31,560	£95	£167	£117	nil	£3	£382
—do—	Finance	34,571	£81	£119	£122	£66	£5	£393

Perks value

NOW to the table above which shows that, despite the upheavals in the London finance sector, its high rankers still tend to be better off than their counterparts in British industry. The figures come from the latest update of the survey made by the Noble Lowndes executive-pay consultancy (PO Box 144, Norfolk House, Wellesley Rd, Croydon CR9 3EB; telephone 01-686 2466, fax 01-681 1458).

The consultancy's survey is unusual in putting a money valuation on in-kind fringe benefits. The table takes four types of senior manager found in companies of comparable size both in finance and in industry, and values their perks in terms of £1 for every £1,000 of their respective average salary. Accordingly the fact that the higher-salaried manager of a pair has a car with a lower valuation does not mean that it is a commensurately cheaper model.

As can be seen, finance-sector chief executives and heads of personnel and data-processing clearly do better for overall rewards than their industrial equivalents. The only City executive who is worse off is the one in charge of internal finances, perhaps because familiarity with risking money breeds contempt for those who merely manage it.

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CONCLUSION

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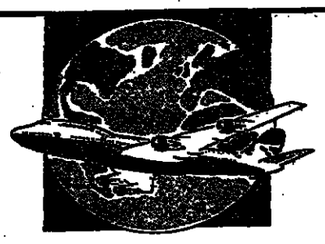

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Interested applicants should phone **Karin Clarke** on **01-831 2000** or write to her at
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Tel: 809-295-4000 extention 3320
Fax: 809-292-3814

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UK NEWS

Nations should learn from Britain, says Oftel chief

By Terry Dodsworth and Hugo Dixon

CALLS FOR further liberalisation of the telecommunications industry dominated the first day of the Financial Times World Telecommunications Conference in London yesterday, with several speakers emphasising the beneficial impact of deregulation over the last few years.

Professor Bryan Carsberg, director general of the UK's Office of Telecommunications, advised other European countries to learn from the UK experience, when they started to open up their markets for telecommunications terminal equipment. Tough regulations were needed to make sure there was effective competition between new competitors and the established monopolies.

It was not good enough, he said, for the regulator to sit in his office waiting for complaints. "If you mean to have competition in this area, you must have pro-active regulation - regulation that actively encourages competition."

Regulators would have to adopt detailed rules to ensure fair play. Even more important, though, Prof Carsberg said, was to create the right psychology so that new competitors were not deterred from entering the market in the first place by a fear that they would discriminated against.

A ringing defence of the benefits of open competition in telecommunications services was given by Mr Desmond Hudson, president of international operations at Northern Telecom, the large Canadian manufacturer.

"Countries that fail to embrace the new information technologies will be at a disadvantage in the global marketplace, where information is fundamental to economic growth and competitive advantage. Any restrictions on the flow of information will only blunt economic progress."

FT CONFERENCE

WORLD TELE-COMMUNICATIONS

Mr Richard Hooper of the PA Consulting Group said business was finding it difficult to make the most of the convergence between telecommunications and broadcasting because of the multiplicity of different regulatory bodies.

"When will the institutional structures and regulatory mechanisms catch up with the reality of a technology that no longer knows or cares whether the 0s and 1s are bearing good old voice telephony, data, still or moving images? Until they do, the business telecommunications user will achieve greater productivity with difficulty."

Mr Herbert Ungerer, deputy head of the Telecommunications Policy Directorate at the European Commission, emphasised the Commission's commitment to maintaining the momentum of its Green Paper proposals for the deregulation of the industry in Europe.

He particularly stressed the moves towards an open market in value added services. These initiatives are expected to be dealt with in greater detail over the next few days in a Commission paper on liberalising service industries generally in the Community.

Turning to the problems faced by the telecommunications industry in developing countries, Mr Bjorn Wellenius, the principal telecommunications specialist in the Asia Technical Department of the World Bank, said there was an urgent need for overcoming capacity constraints, which led to inadequate telephone services and restrictions on general economic development.

Mr Wellenius blamed poor services on a mixture of capital shortages weak organisation, unsatisfactory management and inadequate control mechanisms for the industry.

Mr Charles Coe, president of BellSouth International of the US, said deregulation in America and the breakup of the AT&T monopoly had led to a great diversity of new services and rapid expansion of the industry over the last five years.

Choice in equipment supplies had been stimulated in the changes, he added, noting that BellSouth had moved from purchasing almost all of its products from AT&T to buying only 65 per cent from its former parent company.

The introduction of more competition in the Japanese Telecommunications market has led to sharp reductions in tariffs for telephone services, according to Mr Yasuo Otaki, deputy director of the General Communications Japanese Ministry of Posts and Telecommunications.

Mr Otaki, whose speech was read for him because he was attending a parliamentary inquiry in Tokyo, said that new telephone operating companies entering the Japanese market had launched new services at prices about 20 per cent lower than those of NTT, the main Japanese operating company.

NTT had responded by lowering its charges for leased telephone lines and by cutting its rates for long distance calls.

Sir Donald Maitland, deputy chairman of the Independent Broadcasting Authority, who was chairing the first day of the conference, also spoke.

FT LAW REPORTS

Reinsurance case goes to arbitrator

HOME & OVERSEAS INSURANCE CO LTD v MENTOR INSURANCE CO (UK) LTD

Court of Appeal (Lord Justice Parker, Lord Justice Lloyd and Lord Justice Balcombe): December 9 1988

A REINSURANCE dispute as to whether payment under the original insurance is a condition precedent to reinsurers' liability should be determined by arbitrators, though the arbitration agreement entitles them to construe contractual wording more leniently than would a court of law, and is not suitable for summary judgment in that it raises serious issues requiring full consideration.

The Court of Appeal so held when dismissing an appeal by the plaintiff, Home & Overseas Insurance Co Ltd, from Mr Justice Hirst's decision (*FT August 10 1988*) dismissing their application for summary judgment for a declaration as to their rights under reinsurance contracts between them and Mentor Insurance Co (UK) Ltd, and granting Mentor a stay of proceedings.

LORD JUSTICE PARKER said that from 1973 to 1981 a number of identical reinsurance contracts were made between Home as reinsurers and Mentor as reinsured.

The contracts provided that the reinsurance was "(1) . . . only to pay an ultimate net loss to the reassured of £60,000 . . . (5)The term 'ultimate net loss' shall mean the sum actually paid by the reassured in settlement of . . . liability . . . (15) All loss settlements made by the reassured . . . shall be . . . binding on the reinsurers and . . . shall be repayable by them upon reasonable evidence of the amount paid being given by the reassured".

An arbitration clause provided that any "dispute" should be referred to arbitrators who "shall interpret this reinsurance as an honourable engagement, and they shall make their award with a view to effecting the general purpose of this reinsurance in a reasonable manner rather than in accordance with a literal interpretation of the language". On August 23 1985 Mentor went into voluntary liquidation. There were outstanding claims in the liquidation by various insured.

Home applied under RSC Order 14 for a declaration as to its rights under the contracts. It contended that payment by Mentor to its insured was a condition precedent to its right to recover from Home.

Mr Justice Hirst dismissed the application and granted Mentor a stay of proceedings pursuant to section 4 of the Arbitration Act 1950 [which provides that if a party to an arbitration agreement begins legal proceedings on a matter agreed to be referred,the court may order a stay]. Home appealed.

Mr Clarke for Home said there was only one possible construction of the words in clauses 1, 5 and 15 of the contract. They showed that payment was a precondition to the right of recovery that no arbitrators properly applying the law could come to any other conclusion. So there was no "dispute" and Home was entitled to judgment. He said the arbitration clause was of no avail because construction was a matter of law and whatever the "honourable engagement" provision allowed, it could not allow the arbitrators to depart from the law.

The purpose of Order 14 was to enable a plaintiff to obtain a quick judgment where there was plainly no defence. But it should not be allowed for obtaining an immediate trial.

Where there was an arbitration clause it was more necessary that full scale argument should not be permitted. The parties had agreed on their chosen tribunal and a defendant was entitled *prima facie* to have the dispute decided by that tribunal.

In the case of a commercial arbitration those remarks applied with even greater force, especially when the dispute turned on construction. Arbitrators in the same business as the parties were as well or better able than the court to judge what they intended by the words used. The court should not, save in the clearest of cases, decide the question without their views.

If the point of law relied on by a defendant raised a serious question to be tried calling for detailed argument, and mature consideration, the point was not suitable to be dealt with in Order 14 proceedings.

The first issue raised was whether "actual" payment under clause 5 of the contract could be taken to mean established liability to pay, at least upon liquidation. There was no doubt that the question raised deserved mature consideration.

Some of the factors which influenced that conclusion were that in *Gether (1855) 15 CB 599* the court took the view that the natural meaning of "paid" was paid or contracted to be paid; and in *Eddystone[1892]* a "pay as paid" clause in a reinsurance policy was construed as not making payment a condition precedent.

The second issue was as to the extent to which, if at all, the arbitration clause enabled the arbitrators to depart from the ordinary and natural meaning of the words. Mr Mance for Mentor submitted that the clause was valid and permitted the arbitrators to treat the question of interpretation more leniently than would be done if the matter were heard in court. Mr Clarke submitted that the clause made no difference, or if it did, it was invalid.

An arbitration clause which purported to free arbitrators to decide without regard to the law and according to their own notions of what would be fair, would not be valid, But the present clause did no such thing. It appeared to do no more than give the arbitrators liberty to do that which was approved by the House of Lords in *The Antaios [1985] AC 191*, where Lord Diplock said that "if detailed semantic and syntactical analysis of words in a commercial contract is going to lead to a conclusion that flouts business commonsense, it must be made to yield to business commonsense".

In the present case the clause, in appropriate circumstances, warranted arbitrators in doing what they did in *Antaios*, that is, departing from literal or ordinary material meaning. It was doubtful whether the clause conferred any further latitude, but it was impossible and undesirable to lay down the precise limits of the clause in the abstract.

The third issue was whether section 597 of the Companies Act 1985 [which provides that a company's property on winding up shall be applied in satisfaction of its liabilities] overrode the requirement (if it were one) that the reinsured must pay before he was entitled to recover.

That might be a factor in interpretation of the main contract on the first issue. If, however, it was a separate point, it was a serious one which required detailed argument.

There was a serious defence. Mentor was entitled to have it tried by its chosen tribunal. If that tribunal decided in its favour, Home might seek to obtain leave to appeal. When and if that arose the court would bear in mind that even in a case which turned on the construction of a standard term, leave should not be given unless a strong *prima facie* case was made out that the arbitrator was wrong in his construction.

The appeal was dismissed.

LORD JUSTICE LLOYD agreeing, said that Mr Clarke argued that arbitrators would be bound to adopt the same approach as a court, and accordingly there was no dispute within the meaning of the clause. The arbitration clause was ancillary to the main contract , but that did not mean the court should disregard it when determining whether the case was suitable for summary judgment.

The clause provided that any dispute as to the rights of the parties should be referred to arbitration. The arbitrators were required to approach their task "with a view to effecting the general purpose of the insurance in a reasonable manner rather than on a literal interpretation of the language". In *The Antaios* Lord Diplock held that the arbitrators were entitled to take a commonsense view.

The most helpful case in the present context was *DST v Rakmoc [1987] 2 FTLR 17*. There an arbitration clause provided for arbitration in Geneva in accordance with ICC rules. It provided that in the absence of any indication by the parties as to the applicable law "the arbitrators shall apply the law . . . which they deem appropriate".

The arbitrators, in the absence of any indication as to proper law, applied internationally accepted principles of law governing contractual relations. The award was held to be enforceable as a judgment.

If the English courts would enforce a foreign award where the contract was governed by a system of law which was not the law of England or any other state, why should it not enforce an English award in like circumstances? And if it would enforce an English award, why should it not grant a stay? The court would be doing the insurance community great disservice if it were to usurp the decision which rightly belonged to the tribunal chosen by the parties.

Lord Justice Balcombe also agreed.

For Mentor: Jonathan Mance QC and Gavin Kealey (Cameron Markby)

For Home: Christopher Clarke QC and Stephen Ruttle(Ince & Co)

Rachel Davies
Barrister

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CHIEF EXECUTIVE

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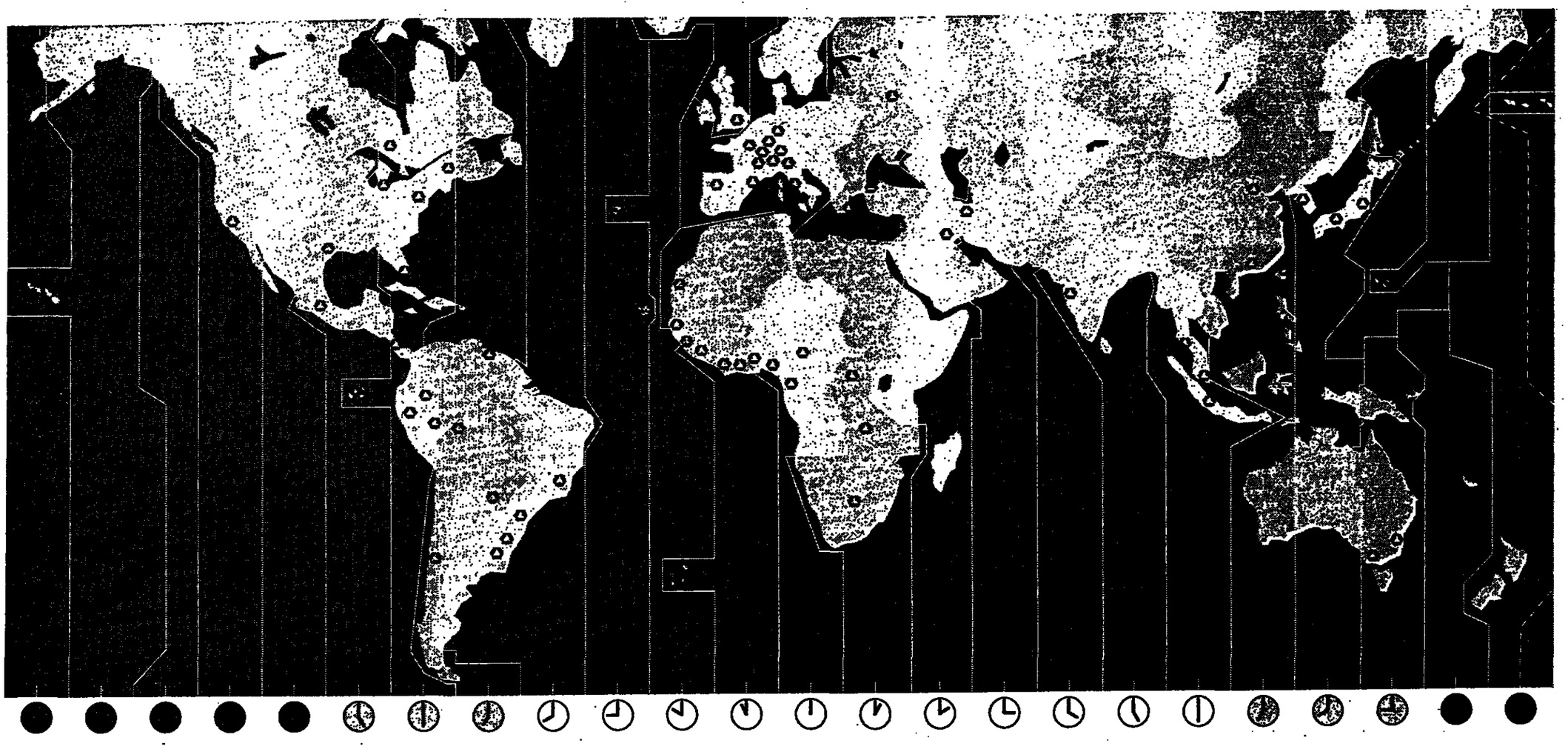

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TELEVISION

Dramatic female talent

Precious few comedians produce lines so wholly individual that you could immediately identify one when quoted out of context. It was true of Max Miller and perhaps still applies to Ken Dodd and Spike Milligan. I would argue that these lines from a comic song: This folly/Is jolly/Bend me over backwards/On me Hostess trolly could only be the work of one person, and the clue is that they were heard during *An Audience With Victoria Wood* on ITV. It was a programme which made you wish the new mother would hurry up and wean her baby and get back on our screens regularly.

Her programme was the most recent in London Weekend's occasional series which puts people such as Billy Connolly, Edna Everage or Peter Ustinov in front of an audience of "celebrities" and then encourages them to "inter-act." With Victoria Wood the prompts were of the most blatantly planted sort, but that scarcely matters. What does matter is the use made of all those "celebrity" faces as an editing device.

Very often the producer will cut from a line by the performer to a big close-up of Julie Walters or Michael Parkinson or somebody falling out of their chair in mirth. To any viewer who found the line weak two thoughts occur. First "Dear oh dear, what a lot of sycophants" and secondly "He/she can't really have laughed that much at that line – they must be cheating with the editing." The celebrity-audience technique can be a two-edged weapon.

★

There is one central and almost insuperable difficulty in attempting to pass judgement on the BBC's version of *The Rainbow*: Imogen Stubbs who plays the central rôle of Ursula is so attractive (by now every male member of the population over 13, and – if recent claims are to be believed – one in 10 of the female population too, is presumably in love with her) that it becomes almost impossible to attend to the substance of the drama.

The fashionable thing to say about the adaptation is that it brings out the truly adolescent nature of D.H. Lawrence; a judgement which is clearly intended to be pejorative. However, since adolescents tend to be much concerned with emotion of all sorts, but especially love and passion, and with compassion and the main strands of political thought, and preoccupied with the possibility of the individual having an effect upon the world, an adolescent approach would seem remarkably well suited to a novel or a television series.

Sure enough *The Rainbow* is proving to be the sort of high-class costume drama which the BBC has always done outstandingly well. The locations, from Victorian farmyard complete with Victorian cowshed (and even Victorian aqueduct with passing horse and narrow boat in the background) to the dark satanic mill (was it Kew Steam museum?) have been magnificent, and some of the scenes – Anton and Ursula kissing beneath the moon, behind the haystack, with the folksong proceeding in the background – have been extraordinarily powerful.

Incidentally Miss Stubbs has already proved most convincingly that she can act. The rate at which the English drama business turns out talented *and* well trained *and* beautiful young actresses is almost painful: there cannot be enough work to go round.

★

We have only just said goodbye to another: Elizabeth Hurley who was so impressive in the title rôle of BBC2's four-part serial *Christabel*. This true story of an English woman, married to a German who was involved in the plot to assassinate Hitler, was spoiled by its pace. It would be absurd to expect all television drama to zap along at the speed of *Hill Street Blues* but the longueurs in this production were bizarre.

It was, of course, the story of one woman's experience, and she could scarcely be in touch with the entire war. There were moments (the awful travelling in wartime Germany, the meeting with the American airman in the forest chalet) when the sense of personal witness came across very strongly. But there were simply not enough events in this production to fill out four 60-minute episodes.

Furthermore we are now pretty familiar with the work of Dennis Potter (who adapted Christabel Bielenberg's own book) and we know that if this had been entirely his own drama it would have been less literal and strictly chronological in its narrative. Though it would not have been so "factual" Potter's own version of a story of this sort might well have told us greater truths. He is, undeniably, a fine technician and could not turn out a truly bad script but he is surely more valuable to us spending his time with his own muse rather than someone else's.

★

"Yes, welcome back to Brentwood."

"Yes, a very important black-ball win there for Jim."

"Yes, Terry stealing that one, and a massive sigh of relief but still so much to do."

"Yes, Terry happy and grinning."

"Yes, that early sprint by Steve Davies."

"Yes, the young Scot brimming with confidence."

"Yes, the Liverpudlian there back in front again."

Yes, these are just a few of the sentences used by Dickie Davies to introduce various sessions of ITV's *Snooker* last week. Yes, over the years we have come to expect ITV's standard of sports coverage to be lower than the BBC's, so it was no surprise on Tuesday, for instance, when every viewer could see the cue ball rolling straight for the top corner pocket to find dear old ITV cutting away from the table just in time to miss the ball dropping. Yes, something should be done about that sort of ineptitude, but acquiring the smoothness and polish of the BBC's coverage will not be easy: it takes time, money, practice and skill.

Much easier would be a change in Davies' vocabulary. Surly somebody in ITV could take him aside and explain that you don't have to sound like a verbal version of *The Sun* just because you are talking about sport. Would that be a good idea? Yes!

★

With a remarkable lack of fuss or protest, *Spitting Image* has slowly grown stronger and sharper so that now, at its best, it is a wickedly incisive tool capable of dissecting and sectioning all sorts of lumps on the body politic, from the royal family to the Kennedy assassination programme industry.

When the series began four years ago the reaction here was that the scripts were not as good as Fluck and Law's extraordinary puppet caricatures. But while the puppets have simply maintained their standards, the scripts have steadily improved so that today, when the words are really good – which is quite often – the programme becomes a powerful piece of satire.

Kate Buffery and Imogen Stubbs in "The Rainbow"

This week's rendering of "My Way" by the bulging-eyed, cigar-chomping Maggie Thatcher (best man in the Cabinet) with the background images of Leon Brittan, the miners, Michael Heseltine, hospital beds, the Belgrano and so on, was a social document which, assuming videotape is as stable as the manufacturers hope, may one day tell a future generation as much about attitudes in 1988 as the drawings of Gillray, Hogarth and Rowlandson tell us about the 18th century today.

★

Anybody charting the path taken by British broadcasters into the realms of tabloid television should have a look at ITV's Thursday night series, *Contacts*. So far it is available only to Londoners, and even they have to wait until 12.45, but its content is marvellous to behold. It is a cross between a lonely hearts column and Exchange And Mart. Thus a superbly well-muscled young woman who rides a large motorbike and is looking for a partner in life is followed a little later by a man who collects cigarette lighters and is hunting for a particular brand with a built-in watch.

It is difficult to imagine anything cheaper to make (if it was in print the producers would actually be charging the participants) yet there is a ghastly fascination involved: it is impossible to switch off before the end in case somebody even more weird turns up.

Christopher Dunkley

Carter's 80th birthday

QUEEN ELIZABETH HALL

Elliott Carter, like Messiaen, is 80. His birthday and achievement are being celebrated in two concerts on the South Bank and one at the Wigmore Hall. The tributes are not as many or lavish as those to Messiaen, but Monday night's concert could hardly have been more substantial in content or more loftily serious in tone.

Shared by the Ensemble InterContemporain, under Pierre Boulez, and the Arditti String Quartet, it began with the six movements, or "pages," of Boulez's early *Livre pour quatuor*: music of considerable historical but almost no musical interest. The notes are bounced from one instrument to another like a dozen ping-pong balls, for a considerable time. There is extreme intellectual refinement in the score, and there was matching refinement in the playing; but the work is singularly unlovesome, and made a wearying start to what was going to be a long, demanding concert.

It was a triple-decker programme, with two intervals. Before the first we heard Carter's String quartet No 4 (1985-6), which the Arditti players have performed several times already in London. After the aridities of the Boulez quartet, this – though scarcely ingratiating music – came as succulence and balm. It is a one-movement structure, both meaty and subtle, which deftly succeeds in encompassing the emotional range of the conventional four-movements. To assist the listener in following such a compressed argument there are recurrent passages, like aural windows, in which the work's underlying harmony seems to be crystallized; these moments also have a touchingly self-conscious quality suggestive, like other characteristics of the work of the late Beethoven quartets.

A work commissioned by the Ensemble InterContemporain from a senior Italian composer, Franco Donatoni, came next. *Cadeau*, for a pair of each of oboes, bassoons and horns, with tuba, harp and tuned percussion, is a swaggering, salty, knockabout sort of piece, making witty play with reedy scalic figures from the woodwind, rumbles from the tuba, what sounded like Mozart pastiche from the harp.

Apart from Boulez's short, beautiful but rather enigmatic birthday greeting to, not Carter but Sir William Glock, *Dérive*, the rest of the programme was pure Carter, two recent works, compelling in the extreme. *Penthode* (1984-5) is scored for five variegated instrumental groups, but unusually for this composer, the impression produced is not so much of dynamic interaction between them, as of a series of often blatantly lyrical instrumental solos (first the viola, then the bass clarinet) emerging from and disappearing back into the frisky background generated by the whole ensemble. It is a piece not far from modern jazz in concept and formation.

The Oboe Concerto (1987) commissioned from Carter by Paul Sacher for Heinz Holliger to play received a UK premiere of staggering virtuosity. Holliger's playing combines amazing accuracy with amazing eloquence, and Carter has provided him with an ideal showpiece. Another single movement (20 minutes), it is teeming with musical life, and though deliberately virtuosic, continuously absorbing. It must be repeated as soon as possible.

Paul Driver

Mark Morris

THEATRE DE LA MONNAIE, BRUSSELS

For more that a quarter of a century, Maurice Béjart and his Ballet of the Twentieth Century were the pride of Brussels. Two years ago, after disagreement with the administration of the Théâtre Royal de la Monnaie, Béjart and his dancers took off for Lausanne, leaving what must have seemed a gaping artistic void for the Belgian public.

It is vastly to the credit of Gérard Mortier, director of the Monnaie, that he should have invited Mark Morris and his troupe to replace Béjart as the opera house's resident company, for there could be no greater contrast with the messages and philosophising that are Béjart's stock in trade than the musical sensibilities and choreographic inventiveness of the young American creator.

Morris, New York's darling, was admired in London during the Dance Umbrella seasons of 1984 and 1985. It was significant that one of his works shown then was *Songs that tell a Story*. The title was indicative of creative procedures, as the words of songs – ranging from Vivaldi arias to pop – fired dancing both ingenious and elegant. In his setting of Handel's ode *L'Allegro, Il Penseroso ed Il Moderato*, which has just started his first Brussels season, the images of Milton's verses, their resonances and musical repercussions, are central to the choreography.

An excellent programme note by Roger Downey discusses the score's origins in the idea of Charles Jennens, Handel's collaborator, to interweave Milton's two pastoral odes as a dialogue, with Jennens' own feeble verses for *Il Moderato* reconciling the poet's joyous and contemplative views. Morris explores both Handel and Milton in an evening-long span of fluent, beautiful dancing that gives us a third layer of meaning to the music and poetry. Sometimes his manner seems simple, as when the phrase "smoothing the rugged brow of night" gains immediate gestural realisation in a duet between a man and woman. Sometimes, as in "Haste thee, nymph, and bring with thee/Jest and youthful Jollity," the dance bubbles with humour: three men sport and fall about, and the corps de ballet follows suit at the choral reprise of the words. Sometimes, and here Morris touches greatness, the dance opens up enormous vistas on to the European pastoral tradition: the aria "Mirth, admit me of thy crew/To listen how the hound and horn . . . " occasions a hunting scene so potent in realisation as the dancers impersonate the hunt and its setting, that eye and mind crowd with allusions. We are aware of images owed to Renaissance festivities, to many centuries of such scenes in painting and literature.

The choreography is everywhere responsive to Milton's mind as to Handel's forms, moving from ring dances to friezes of action, playing with ideas in happiest and most adventurous fashion, showing us the moon sailing through the night sky, or birds in flight, or the slapstick of "the well-trod stage." Morris has, indeed, created a form of dance-drama wherein the play of language and music is mirrored for us in another and no less apt medium.

Scene from L'Allegro, Il Penseroso ed Il Moderato

With dance as pictorially, dynamically rich as this, stage decoration has to be minimal. Adrianne Lobel provides a succession of gauzes, admirably lit by James Ingalls, to create a world for Morris's choreography, and Christine van Loon dresses the dozen couples of the cast with comparable economy and elegance. The evening is unalloyed delight, and a triumphant vindication of Morris's right to be in Brussels.

What Morris is doing in *L'Allegro* and certain other works begs comparison with those "music realisations" which are part of his ancestry in the early days of American Modern Dance. Then, with the Denishawn troupe, or even with Isadora, the dance spoke innocently about the music. Morris's response to his scores can seem both the most innocent and the most sophisticated. His second Monnaie programme last week brought pieces already created in New York. *Frisson* was set to Stravinsky's wind symphonies,the cast moving and posing with rigid arms and extended legs like frozen blocks of activity. The Poulenc clarinet sonata occasioned a response difficult to grasp as a male soloist and five couples signalled unguessable feelings at us.

Morris's own solo appearance in *Ten Suggestions*, using Cherepnin's piano bagatelles, was witty but more than a little ambiguous. A generous figure in pink satin pyjamas, he flicked dance aphorisms at us, yearned with a hoop, and could not stop me thinking of Isadora in her later years.

The most considerable piece of the evening, the Vivaldi *Gloria*, was as unexpected in its response to the text as Kenneth MacMillan's use of the Poulenc setting. Morris offers a vision of suffering mankind in quest of forgiveness and mercy for the indignities of the human condition. Grey costumed figures drag themselves over the stage, rear up, and seem unmoved by others' anguish. It is far from conventional in its piety, and in its starkness comments upon the need for the prayer itself. Like everything in these two evenings it was danced with tremendous physical clarity. Brussels has reason to be proud of the new tenants at the Monnaie.

Clement Crisp

Roister Doister

CROYDON WAREHOUSE

Ralph Roister Doister, to give the sturdy Tudor farce its full title, is more honoured in the breach than the observance. It survives as a text-book example of robust popular comedy.

Croydon Warehouse is presenting this slice of pre-Elizabethan bourgeois-cum-low-life as its Christmas attraction. Although the author, Nicholas Udall, was headmasterof Eton (the programme note tactfully omits the information that he was sacked for sodomy) and may have presented the piece to cheer that teenage prig Edward VI, this production is not for children.

The adapter Vince Foxall has come up with a script packed with puns, in-jokes, allusions, anachronisms, groaning old music-hall exchanges and quotes from *Hamlet* via *Casablanca* to *Minder* and *Guys and Dolls*. All in the good pantomime tradition, though hardly scrupulously scholastic. He adds such sub-plots as a running a *Dandy Dick*-like racehorse under an assumed name; still acceptable for a Christmas frolic.

But his exhausting and effortful attempt to squeeze a joke from every possible and impossible exchange finally turns nightmarish. It is not that much of his facetiousness is more contrived than witty, more laboured than amusing, but that every remotely sexual reference is seized on and inflated, nearly every quip has a smutty lining, and that no innuendo, and no character, is left unmade. Mr Foxall should have heeded one of his own lines: "Words that play with themselves oft go blind."

Oral sex, homosexual and heterosexual, is the subject of several pleasantries and indeed one on-stage simulation. Matthew Merrygreek is made into a sexual chameleon, ravished by our hero Gawyn Goodknight and turning his hand, or whatever, to relieving the pompous Roister Doister, the tart Tibet Talkapace and the maid Madge Mumblecrust with equal enthusiasm.

Mr Foxall may have intended him as a satyr-like embodiment of free-wheeling, laid-back pleasure, a frolic figure treading the antic hay (the horse is called Cardinal Pirelli, which gives some clue); but Simon Pearsall's pleasantly scruffy, balding persona trots through the part too literally and the result is distasteful.

Benny Hill-type archaisms with -eth endings affixed to verbs regardless of person or tense are funny until the hundredth time. A spirited cast works like mad.

Derek Crewe's absurdly lovesick Roister Doister would be worth seeing in a real panto, faintly resembling a blend of Humpty Dumpty, Ronnie Corbett and the playing-card gardeners in *Alice*. Joanna Brookes' Tibet and Di Langford's Mumblecrust deserve all sympathy for energy and cheerfulness beyond the call of duty. Jason Smith displays a nice line in self-mocking matinée idol looks. The singing is excellent. Ted Craig directs on Michael Pavelka's cartoon-like black-and-white stylised Tudor set. But, in one of this rather dreadful entertainment's more memorable lines, "so whateth?"

Martin Hoyle

ARTS GUIDE

December 9-15

THEATRE

London

A Walk in the Woods (Comedy). Alec Guinness and Edward Herrmann in feeble off-duty arms negotiation encounter by Lee Blessing. Guinness, back on the London stage after 10 years, is in subtle virtuoso form as the Soviet veteran of tactical stonewalling and no-dealing tricks (930 2578, cc 839 1438).

Measure For Measure (Barbican). Pick of the RSC London repertoire, a gripping revival by Nicholas Hytner, strongly acted, with witty design references to Lloyds of London and the Pompidou Centre in Paris (638 8891).

The Secret Rapture (Lyttelton). Brilliant new David Hare piece for the National Theatre, a satirical but moving romance on life, love and family politics in Thatcher's Britain. The play of the year (928 2252, cc 240 7200).

Easy Virtue (Garrick). Transfer of King's Head revival of early Noel Coward, same period but lesser vintage than Hay Fever – still worth seeing (379 6107).

South Pacific (Prince of Wales). Average, traditional revival of the great Rodgers and Hammerstein musical, with Gemma Craven failing to wash the baritonal Emile Bekourt out of her hair (839 5989).

Follies (Shaftesbury). Eartha Kitt and Millicent Martin now decorate Mike Ockrent's strong revival of Sondheim's 1971 musical, in which poisoned marriages nearly undermine an old burlesque reunion. (379 5399).

The Admirable Crichton (Haymarket). Rex Harrison and Edward Fox in enjoyable revival of Barrie's imperishable comedy of class barriers and reversals on a desert island. (930 9832).

Dry Rot (Lyric). Brian Rix returns to the stage after an absence of 12 years in a 1950s farce that prefigures the capture of old England by the spivs and opportunists. (437 3686).

The Shanghraun (Olivier). Recommended Christmas treat, as Boucicault's melodrama is given the full scenic works but is also revealed as a key Irish dramatic milestone. Fine National Theatre cast led by Stephen Rea. (928 2252). Dec 17-23, Jan 5-10, 19-21.

The Sneeze (Aldwych). Eight short Chekhov pieces – four vaudevilles, four early stories – translated and adapted by Michael Frayn and performed in various styles by Rowan Atkinson, Timothy West and Cheryl Campbell. Slightly rewarding, intermittently funny (836 6404, cc 379 6233).

Sugar Babies (Savoy). Mickey Rooney and Ann Miller repeat Broadway roles and exhibit stamina and star quality in a mixed bag of coarse burlesque sketches (836 8888).

Amsterdam

The Footsbarn Theatre with Babylon (Thur). Stadsschouwburg (24 23 11).

New York

Rumours (Broadhurst). Neil Simon's latest comedy is a self-conscious farce, with numerous slamming doors and lots of mugging but hollow humour that misses as often as it hits. Christine Baranski leads an ebullient cast in the inevitable but disappointing hit.

Cats (Winter Garden). Still a sell-out, Trevor Nunn's production of T.S. Eliot's children's poetry set to music is visually startling and choreographically feline (239 6262).

A Chorus Line (Shubert). The longest-running musical in the US has not only supported Joseph Papp's Public Theater for eight years but also updated the musical genre with its backstage story in which the songs are used as auditions rather than emotions (239 6200).

Les Misérables (Broadway). The magnificent spectacle of Victor Hugo's majestic sweep of history and pathos brings to Broadway lessons in pageantry and drama (239 6200).

Starlight Express (Gershwin). Those who saw the original at the Victoria in London will barely recognise its US incarnation: the skaters do not have to go round the whole theatre but do get good exercise on the spruced-up stage with American scenery to distract from the trumped-up plot (586 6510).

Me and My Girl (Marquis). Even if the plot turns on ironic mimicry of Pygmalion, this is no classic, with forgettable songs and dated leadenness in a stage full of characters. (947 0033).

M. Butterfly (Eugene O'Neill). The surprise Tony winner for 1988 is a somewhat pretentious and obvious meditation on the true story of the French diplomat whose long-time mistress was a male Chinese spy (246 0230).

Speed-the-Plow (Royale). David Mamet applies his biting sarcasm and ear to the exaggerations of American language to Hollywood, in this screamingly funny and well-plotted exposé of the film industry (239 6200).

Phantom of the Opera (Majestic). Stuffed with Maria Bjornson's gilded sets, Phantom rocks with Andrew Lloyd Webber's haunting melodies in this mega-transfer from London (239 6200).

Chicago

A Christmas Carol (Goodman). William J. Norris celebrates his tenth season as Ebenezer Scrooge in the annual holiday production with a cast of 26, directed by Michael Maggio. Ends Dec 28 (839 4141)

Tokyo

Kabuki this month celebrates the art of the Onnagata (female impersonator). At the National Theatre, 71-year-old living national treasure, Nakamura Utaemon VI, plays one of his most famous roles, perhaps for the last time, in Meiboku Sendai Hagi (The Disputed Sucession). Performances at noon and (Wed, Fri) at 5pm (265 7411). Meanwhile, the 4.30pm programme at Kabuki-za (541 3131) features Osome Hisamatsu.

Bunraku (National Theatre). The puppet theatre is one of Japan's most refined art forms. Each doll has three operators who remain in sight while a narrator unfolds the story to a musical accompaniment. Evening performance at 5pm (plus 12 noon at weekends): Chushingura, the famous story of the 47 loyal retainers. Matinee performance at 11am and 2pm (weekdays only): Tsubosaka, a moving tale of a blind musician and his devoted wife. (265 7411).

SALEROOM

Record for Tang horse

Tang horses are not the easiest Chinese work of art to sell. They usually come from 8th century graves and the Chinese are reluctant to buy the after-life companions of their ancestors. So Sotheby's was pleased yesterday when it sold an unglazed pottery figure of a stallion for £484,000 (a record for an unglazed Tang horse) while the accompanying mare realised £231,000 to the New York dealer E & J Frankel. They fetched high prices because they were the largest such horses, around three feet high, to appear on the market.

The sale totalled £1,183,3897 in the morning session with only 8.5 per cent unsold. In the afternoon the other key lot, a unique Yuan storage jar, with carved white dragons on under-glazed blue, was unsold at £220,000, but an early Ming blue and white dish, 33.3 cm in diameter, did well at £132,000.

At Phillips sale of British paintings "The expulsion of Adam and Eve from Paradise" by Benjamin West sold for £264,000 to Agnews, comfortably above estimate. West, an American who became President of the Royal Academy, painted it in 1791 for King George III for £525.

Antony Thorncroft

Prudential offers largest UK arts award

The UK's largest arts award, with a possible £100,000 for the winning arts organisation, was announced yesterday. The Prudential Awards for the Arts, sponsored by the insurance company, embrace all art forms. Initially panels of judges will select winners in each of five categories – dance, music, opera, theatre and the visual arts, who have shown creative, innovative work between November 1 1988 and October 1989.

Each of these will receive £25,000 in July; then a grand award will be announced in October with one of the groups collecting a further £75,000. The money must be spent on a new artistic venture. The Prudential is committed to the Awards for three years.

Around 4,000 arts groups will be encouraged to submit an application before January 31st, 1989, to Prudential Awards for the Arts, Kallaway Ltd, 2, Portland Road, London W11 4LA.

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Wednesday December 14 1988

Israel's turn to respond

"ALL PARTICIPANTS must renounce violence and terrorism. Each must agree to negotiate on the accepted international basis of Security Council Resolutions 242 and 338." That was how Mr George Shultz defined the criteria for participation in the Middle East peace process in a speech last September. The Palestine National Council believed it had met them with the statement adopted at its meeting in Algiers a month ago, but the US was not satisfied, finding the language still too ambiguous.

Mr Yassir Arafat, leader of the Palestine Liberation Organisation, was called on in his speech to the UN General Assembly yesterday to dot the "i". Rather ironically, since it was an American test he had to pass, he was not admitted to the US for the purpose. Instead the General Assembly went to Geneva to hear him.

Not surprisingly, it heard a great deal of rhetoric, much of it less than conciliatory. Mr Arafat could hardly be expected to make such a speech without rehearsing his people's grievance at some length. Inevitably, he presented the Palestinians as victims and peace-lovers, the Israelis as aggressive and intransigent. Regrettably, he failed to acknowledge the historic, religious and emotional ties between the Jewish people and the Land of Israel, or the terrible wrongs (admittedly not the Palestinians' responsibility) which drove Jews to return to their ancient homeland and set up a state there. He glossed over the past opportunities for compromise which his organisation had failed to explore.

Three-point initiative

When he came to the point, Mr Arafat put forward a three-point "peace initiative" which can hardly be called realistic. Point two calls for "our occupied Palestinian land" to be placed "under temporary United Nations supervision", and for an international force "to supervise the withdrawal of the Israeli forces from our country," apparently *before* the PLO will seek a comprehensive settlement in the framework of the proposed international conference, since that is point three.

However, no one expects Mr Arafat's procedural proposals, any more than his substantive ones, to be accepted by all parties as they stand. What is needed at this stage is for the PLO, which the Palestinians themselves insist on as their legitimate representative, to be accepted by Israel as an interlocutor and vice versa.

Sadat's speech

As far as the vice versa goes it is hard to see how Mr Arafat could be more explicit. He named Israel as one of the "parties concerned in the Arab-Israeli conflict," among whom a comprehensive settlement should be sought. He spelt out that this settlement must "respect the right to exist in peace and security for all." He asked "the leaders of Israel to come here . . . so that together we can forge peace."

And in language reminiscent of the late President Sadat's historic speech to the Knesset, he addressed himself "specifically to the Israeli people in all their parties," saying: "Come, let us make peace . . . Leave behind the spectre of the wars that have raged continuously in the furnace of this conflict for the past 40 years. Set aside all threats of wars to come . . ."

He also reaffirmed that "I condemn terrorism in all its forms," while making it clear that he could not, as leader of a people fighting to defend its territory and its independence, be expected to renounce violence unilaterally. Adroitly he paid tribute to "those sitting before me in this hall who, in the days when they fought to free their countries from the yoke of colonialism, were accused of terrorism by their oppressors, and who today are the faithful leaders of their peoples," well knowing that this would have applied *par excellence* to the Prime Minister of Israel had he been present.

It is hard to see how the US can ask Mr Arafat to go further, either in accepting Israel's rights or in renouncing violence, without asking Israel to reciprocate. The most representative Palestinian leader has now said clearly that he is willing to co-exist, not only with the Jewish people but with the Jewish state. The onus must now be on Israel to make an equivalent gesture to the Palestinians.

New challenge of the chip

ONLY five years ago, a foreign bid for Inmos, the British semiconductor maker, would probably have provoked a political storm in Westminster. Today, Thorn EMI's plan to sell Inmos to SGS-Thomson (ST), the Italian-French microelectronics group, simply looks like a belated recognition that the world microchip industry has become too ruthless to accommodate the small producer with a narrow market base.

Similar economic pressures are reshaping the semiconductor industry right across Europe. ST was created by a merger of two "national champion" companies 15 months ago, while Siemens of West Germany and Philips of the Netherlands have united in advanced chip research. All three groups are now seeking government backing for Jessi, a $3bn joint scheme to develop chip-making techniques for the late 1990s.

Europe needs to overcome futile national rivalries to stand a chance of creating internationally viable semiconductor suppliers. However, the potential benefits of a rationalised, trans-national industry structure will be lost unless the reasons for past failures are clearly understood. The most important is misguided reliance by policymakers on more technology "push" to revitalise uncompetitive electronics industries.

Japanese domination

For the past four years, Siemens and Philips have collaborated intensively in a government-subsidised project to master the production of high-density chips. Yet the supply of such components for cellular radio terminals, one of Europe's newest growth markets, is dominated by Japanese companies. Japanese companies have also moved much faster than Europeans to use advanced microelectronics in video recorders.

The solution to Europe's problems lies in finding ways to stimulate companies to respond more rapidly to market demand. In Japan, this is achieved by fierce competition on the domestic market, which keeps relentless pressure on companies to shorten their product cycles and cut costs.

Europe must ensure that closer ties between its electronics companies do not lead to reduced competition. Jessi raises doubts on this score. As proposed, it could easily degenerate into collusion on products and markets. It would be much better to make it an independent venture, with its own management, staff and facilities. That is the approach of Sematech, a US project set up to pursue broadly similar goals.

Beyond that, European policy should aim to shift the emphasis away from developing new technologies to improving mechanisms for diffusing them. As the Organisation for Economic Co-operation and Development argued in a recent report, the economic benefits of technology no longer flow automatically to innovators. Increasingly, it is the adapters and imitators who profit most.

Sustained action

Creating the right environment is a complex task which requires sustained action on several fronts at once. The OECD finds the key criteria are high-quality education and training, systematic encouragement of the use of new technologies and skills by a wide range of industries and economic policies which favour competition and long-term capital investment.

Those kinds of measures require an unusual degree of patience from European politicians whose response to anxieties about technology lag has often been to write out large cheques to those electronics companies with the most active lobbyists. However, unless Europe acts to ensure that better commercial use is made of existing technology, its future investments in the sector are unlikely to be more productive than its past ones.

Peter Bruce in Madrid reports on today's general strike against government policy, which could radically alter Spanish politics

The threat from a once-friendly bull

Prime Minister Felipe Gonzalez: scandals have undermined public confidence in his government

Spanish politics has turned nasty. Since Prime Minister Felipe Gonzalez won a bitter referendum almost two years ago to persuade the country to remain in Nato, Spain has been quiet and prosperous and the Spanish people apparently content. Yet he faces a possibly violent one-day general strike today, increasingly confident attacks on the style of his administration and, possibly, an undignified beginning to Spain's first European Community presidency in January.

It is a remarkable position for a Socialist Party leader with his scorecard to be in. Its once querulous military tamed, Spain's economy is growing faster – more than 5 per cent in 1987 and 1988 – than any other in the EC. Inflation is a respectable 5 per cent, exports are booming and industry is creating about 1,000 new jobs a day despite continuing high unemployment. The country is modernising its physical and intellectual resources faster than it ever has before. The nastiness is difficult to explain.

Mr Jorge Hay, chief economist at Banco Hispano Americano, one of the country's big commercial banks, finds the strike hard to believe. "It's mad," he says. "The unions are mad, the opposition is mad and the employers are mad. I sometimes think the only sane people are in the government."

Anyone in Spain at the beginning of 1986 would recognise the mood. The political left and right were attacking Mr Gonzalez's bid to keep Spain in Nato and the polls were running against him. He went to the country with a blunt message – "me, or chaos" – and it worked.

Now, the unions have called the strike to protest Government employment policies. The conservative opposition, the Alianza Popular (AP), and the maverick populist Centro Democratico y Social (CDS) have stirred the pot by expressing "understanding" for the strikers. The employers have offered only late, half-hearted support, though they gain from the policies.

If Mr Gonzalez has to do the same thing again – and he may call an early election – the political choices for Spaniards are, luckily for him, still uncomfortable. Skeletons from the days of Francisco Franco's dictatorship still rattle in the AP and CDS. One symbolic example: Franco once had the heads of striking miners' wives shaved.

Both parties do little more than snipe petulantly at the Government and cheer left-wing attacks from the sidelines. Spaniards are told constantly that their relatively clean and safe cities are filthy and dangerous. Spain works, but the price has been a dramatic departure from the secure paternalism of the dictatorship. Although the conservative opposition has suffered under Mr Gonzalez since he became Prime Minister in 1982, much of the parliamentary opposition's present malaise is self-inflicted. The real change has been felt on Spain's shop floors.

Spain works, but the price has been a dramatic departure from the secure paternalism of the dictatorship

Since 1985 the Government has allowed employers to hire people on temporary contracts in an effort to create new jobs. Franco, in return for banning free trade unions, virtually guaranteed jobs for life. The change has been hard for the unions to swallow. For the big Socialist union, the UGT, founded 100 years ago by the Socialist Party, today's general strike is a final cry of rage at its fraternal party.

It was the UGT leader, Mr Nicolas Redondo, who won Mr Gonzalez the party leadership in Paris in 1974 while the party was banned. But while Mr Redondo has remained the tough, leather-jacketed union boss, his firebrand protégé has become a social democrat at home in a fine suit, striding the international diplomatic stage. Mr Gonzalez has been converted to liberal economics by his friend and former Finance Minister, Mr Miguel Boyer. The country's entry into the EC in 1986 has only reinforced the transformation. "It is employers who create jobs," an animated Mr Gonzalez insisted last week.

Mr Redondo resigned his Socialist seat in Parliament last year, protesting that with unemployment stuck at nearly 20 per cent the Government was not doing enough to combat it. Spanish executives are now among the richest in Europe, while only 35 per cent of the country's 2.7m unemployed receive welfare.

The final straw was the Government's decision in October, after months of threat and counter-threat, to ignore union opposition and press ahead with a plan to provide up to 800,000 youths with first jobs in the next three years by subsidising employers to hire them on short contracts and at minimum wages. In desperation, Mr Redondo turned to the other main Spanish union, the communist CCOO, and they agreed to call Spain's first general strike since 1934.

The historic move was a coup for the CCOO. The two unions have been rivals for decades but in the absence of credible parliamentary opposition to Mr Gonzalez, they have become Spain's only coherent dissenters. The success or otherwise of the strike could radically alter Spanish politics. If it goes badly for Mr Gonzalez, his absolute parliamentary majority could be at stake at the next election, 18 months away.

A weekend poll shows Mr Gonzalez still able to command such a majority; other surveys show that a majority of Spaniards support both the youth jobs plan and the strike. That contradictory result points to dissatisfaction with style more than with content. They suggest that a little humility would go a long way with voters.

The strike itself is unpredictable. "Who knows what will happen," says a party official." The unions plan to blockade Madrid today and have threatened further disruption. "If we stop Madrid we win the strike," one UGT leader has said.

The unions believe they can bring out 4m people today. The Government has hinted it may simply walk away from the youth employment plan if the strike is widely supported. The unions would then be blamed for robbing 800,000 young people of the chance to work.

Such behaviour is a Gonzalez trademark. He resigned as party leader briefly in 1979 when the party refused to renounce Marxism and then put his job on the line again during the Nato referendum. He can react badly, say supporters, when he feels unappreciated.

But the brinkmanship may not always work. Mr Gonzalez, like most national leaders in Spain, has become remote and hardly ever travels. That might not be so bad, but public confidence has been undermined by a torrent of scandals this year that have shown the Government to be arrogant and insensitive.

Last Easter, when Mr Gonzalez's deputy, Mr Alfonso Guerra, was returning from a holiday in Portugal, and in a hurry to see a bull fight in Seville, he got stuck in a huge traffic jam at the border. Irritated, he turned round, drove to a telephone and ordered a Government jet to pick him up.

Then it emerged that one of Mr Gonzalez's closest friends, Ms Pilar Miro, head of the country's radio and television services, had used her corporate credit card to buy some Pta 2m ($9,600) worth of fine clothes and jewellery. Next, the Minister of Defence, Mr Narcis Serra, had his department buy a Pta 1m piano for his home in Madrid. Ms Miro has offered to go but is still in her job. Mr Guerra and Mr Serra, two of Mr Gonzalez's most able ministers, hardly bothered to account for themselves.

A young democracy without rules to govern the behaviour of its public servants is a tricky animal to deal with. If the strike foreshadows a final shedding by a modern social democratic party of its old class values, it will probably do nothing to rid it of its apparent penchant for favouritism. The socialists have appointed hundreds of their own, sometimes whole families, to positions of influence at and away from the centre. This has created the perfect climate for at least suspicions about corruption.

The Government, though, is saved by its management of the economy. Union grumbling aside, Spain's prosperity is unmistakable. Figures published last week show that since it joined the EC and introduced temporary employment contracts, the number of people in work has risen sharply. Foreign investors have poured more than $35bn into the country since 1986.

Mr Gonzalez, aided by two highly respected finance ministers (Mr Boyer followed by Mr Carlos Solchaga) has wrestled inflation down from 12 per cent in 1983 and robbed the conservative opposition parties of an economic platform from which to attack him. Staid old institutions like the stock markets are being jolted back into life by sweeping liberalisation decrees. The peseta, pegged to around 66 to the D-Mark, is growing in stature. The money supply is being held to just within its target despite the high level of foreign investment, though at some cost to efforts to cut interest rates.

A big increase in imports to feed the economic boom was always going to land the country with its first current account deficit for five years, but an unexpected 23 per cent surge in exports is going to deaden the pain. Even the much-maligned public borrowing requirement is falling in real terms, to around 3.5 per cent of GDP, as tax receipts are boosted by vastly increased corporate profits.

"They have not acted as socialists. They have acted as regulators," says Mr Pedro Schwartz, an eminent private sector economist and former Liberal MP. "They have done it in a dictatorial way but as a person in the financial world I do not see any alternative to Gonzalez."

A machiavellian school believes that Mr Gonzalez has deliberately chosen to pick a fight now. Certainly, if he is able to dilute the action today he should be able to complete the metamorphosis of his party from a strident, exiled Marxist movement into a middle-of-the-road social democratic machine capable of holding the political centre without having to constantly dole out small change to the trade unions. Spanish unions are, anyway, much more dependent on government than are their EC counterparts.

Mr Gonzalez does not want to split the Spanish socialist family. However popular he might be with business, Spain's bankers and landowners are not his natural allies and never will be. Neither is the church. Though cowed for the moment, it is still wealthy and resentful.

A full-scale war with the unions could spoil Mr Gonzalez's term as president of the EC next year.

A full-scale war with the unions could also spoil his term as president of the EC in the first half of next year. Madrid has attached great importance to the EC presidency and wants to use it to prove – to itself if not its allies – that it is capable of running a great international machine efficiently. Spanish bureaucrats have been visiting EC capitals for more than two years to prepare themselves and a major distraction at home is the last thing the Government needs.

But Mr Gonzalez and Mr Guerra are a formidable political double act. They grew up around the UGT and know it intimately. In the efforts to stop Mr Redondo, they will leave no stone unturned.

OBSERVER

Man behind the Gatt

■ When the panic was at its height among the trade ministers in Montreal last week and they realised that their four-year exercise in trade liberalisation was in danger of collapse, they turned to Arthur Dunkel to get them out of their mess.

This was vindication indeed for the unassuming but shrewd and tough Swiss who has been director general of the General Agreement on Tariffs and Trade for the past eight years and about whose reappointment in 1986 there were misgivings in Washington.

The scheme that saved the day – temporarily – in Montreal was worked out between four men: Willy de Clercq, the European Community's Trade Commissioner, Franz Andriessen, the Agriculture Commissioner, who will succeed him next year, Clayton Yeutter, the US Trade Representative, and Dunkel.

It was Dunkel who suggested that the ministers' mid-term review of the Uruguay Round be "suspended" until April to allow time for the Bush team to be installed in Washington and a fresh attempt to break the deadlock between the US and the European Community over farm trade. Yeutter then proposed that Dunkel be given the job of shuttling between capitals to see if he could discover a new approach.

The solution is intriguing because the gossip in Montreal still had Yeutter as one of the favourites to obtain the agriculture portfolio in the Bush administration.

Dunkel's qualifications as arbitrator have been honed in years as the calm technician at the centre of the increasingly frequent outbursts of turbulence among Gatt's 96 members. Most of the turmoil has been generated by the single-mindedness of the Reagan administration's drive to expand the scope of free trade.

In 1986, when his reappointment was in the balance, Dunkel used all his influence to temper US impatience over starting a new trade-liberalising round. He persuaded the developing countries that they would benefit from joining in and keeping Gatt together.

Gatt has known only three directors general in its 40-year existence, two of them Swiss. Sir Eric Wyndham-White, the flamboyant Briton who for 20 years tended to regard Gatt as his personal fiefdom, was succeeded by Olivier Long, a quiet, diplomatic Swiss.

In personality and style Dunkel, now 56, falls somewhere between the two. A clever trade technician like Long, he has also been ambitious to promote Gatt's importance as a world economic institution. He fully recognises both the opportunity and the risk to this ambition implicit in his present assignment as arbitrator in farm trade between the world's two most powerful trading blocs.

His linguistic ability has been an important asset. A childhood spent in Portugal, where he attended the French lycée, left him bilingual in French and Portuguese. He later added fluent English, German and Spanish. An economics degree from Lausanne University and a career as a Swiss trade negotiator, punctuated with stints of university teaching, brought him to Gatt.

In private Dunkel is something of a gourmet, an assiduous visitor to art exhibitions and galleries, and a family man who enjoys shopping with his wife. His interest in painting brushed off on his daughter and son, both of whom are pursuing careers in the arts.

Margaret Mee

■ The death in a motor accident last month of the Amazonian botanical artist, Margaret Mee, has galvanised her friends and colleagues around the trust that bears her name. Today in Rio de Janeiro – the city she made her base camp for innumerable journeys into the wilderness – a delegation of British and Brazilian botanists will pay tribute.

Mee, a vigorous 79-year-old whose 60 paintings of tropical flora are currently on show at Kew together with her newly published diaries, In Search of the Flowers of the Amazon Forest, died at the very moment that her reputation was taking off from cult figure to international celebrity.

The new trust, headed by the former British Ambassador to Brazil, Sir William Harding, and supported by such as Dr John Hemming of the Royal Geographical Society and the Brazilian landscapist, Burle Marx, aims to promote the study and conservation of Amazonia.

There is also an attempt to conserve Mee's paintings and diaries, already the target of US university predators, for Kew's archives. Any contributions should go to Dr Simon Mayo, secretary of the Margaret Mee Amazon Trust, c/o Herbarium, at the RBG, Kew.

Private art

■ Rocketing prices in the salerooms have sparked a new industry in the Netherlands – art theft.

When the three van Goghs which disappeared from the Kröller Müller Museum on Monday night, it was the second time this year that his work had been stolen and the latest in a wave of burglaries. The trio – Potato-eaters, Dried Sunflowers and Weaver with Loom – are valued anywhere from $67m to $150m and are not insured.

The thieves had broken in through a window while the museum's two guards were on duty. Police do not even know how many were involved.

The auction of van Gogh's Sunflowers for £24.7m last year sparked the surge in prices. Amsterdam's Van Gogh Museum is now struggling to insure a major exhibition of the Dutch painter's works in 1990. The Government is not helping with the premiums. Indeed its only assistance so far has been an extra Fl 3m from the Culture Ministry to help beef up security in the museums. Other lesser known works have been stolen from museums around the country this year. Presumably they are going to a very private collection.

French water

■ Two City refugees on a weekend break in Malvern called into a tea room and ordered a couple of glasses of Malvern water: a drink much recommended by the Prime Minister, no less. The waitress grinned sheepishly and said, alas, they only stocked Perrier.

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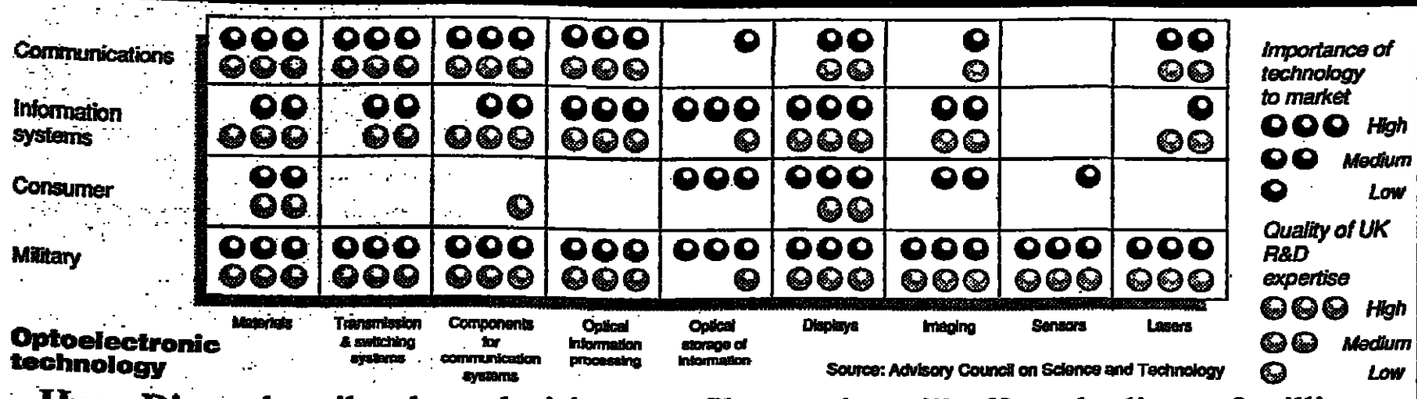

Optoelectronic technology

Source: Advisory Council on Science and Technology

Hugo Dixon describes how decisions on fibre optics will affect the lives of millions

The long wait for a sharper picture

People would be able to see each other's faces and their changing expressions over picture telephones. They would have access to hundreds of television programmes on screens with images as sharp as those of big-screen cinema. Nobody would ever again need to go into a shop or a bank because they would be able to make their transactions from home, calling up high-quality picture catalogues on TV screens.

The days of the office could also be numbered, as people found they were able to function effectively from home — avoiding the need for high-cost offices and long-distance commuting. They would have "face-to-face" meetings from afar and show each other the documents they were working on at the flick of a button.

All this — and much more — would be available if Britain built an advanced telecommunications network out of fibre-optic cables. Only poor-quality pictures and limited amounts of data can be sent down the present copper telephone network, which was designed for simple telephone conversations. But optical fibres — threads of crystal clear glass as thin as a human hair — could transmit moving pictures and vast amounts of information, unleashing a revolution in the country's way of life.

The Government, British Telecom, the cable TV companies and the electronics industry are locked in debate about whether Britain really needs such a network. Do people, for example, really want to look at each other over the telephone? If so, who should build the network? The key question which has split the participants into two opposed camps is whether BT should be allowed to send television pictures through its telephone lines.

The electronics industry and BT itself are the main proponents of giving BT this freedom. They argue that BT could only justify upgrading its copper wires to optical fibres with investment of about £20bn if it could earn revenue from TV. Oftel, the telecommunications industry's regulator, and the cable TV industry are the main opponents. They contend that such a liberalisation would give BT too much power and leave the Government's competition policy in tatters.

The Government has yet to make up its mind. It has been studying the issue behind closed doors in a Department of Trade and Industry committee for the past two years. The committee's report is due out today, but its main conclusion has already been fed into the recently issued white paper on broadcasting, which said a decision should be postponed for at least two more years.

The debate is important for industrial policy because Britain is at the forefront of developments in optoelectronics — the technology which merges electronics and light, and of which fibre optics is a branch. This is one of the few areas of high technology where UK companies have a world lead and are anxious to maintain it into the 1990s.

Electronics companies argue that they will only be able to achieve this if Britain starts putting fibre optic cables into people's homes in the next few years. British manufacturers would then have a mass market for their products, allowing them to drive down unit costs and get ahead of the competition.

But if Britain delays much longer, they fear that Japanese and US manufacturers will steal a march on them after which it will be almost impossible to catch up. "Within five years, we will have blown it," says Nigel Horne, technical director of STC, the UK information technology company, which developed fibre optics in the 1960s.

At present, BT is installing fibre optic cables only on long distance routes and in special business locations such as the City of London. Although the price of fibre optics has fallen rapidly this decade, other necessary optoelectronic devices such as lasers are still too expensive for the company to be able to justify linking every home to a national fibre-optic grid. It does not expect the costs to come down sufficiently until the middle of the next decade.

The only way that this timetable could be significantly brought forward — apart from backing the investment with taxpayers' money, which is inconceivable under the present Government — would be to allow BT to send television pictures down its wires. Robin Bomer, BT's director for government relations, says that if the company could earn revenue from television, the economics of putting in fibre optics would come right several years earlier.

The Government has some sympathy with this argument. "The additional revenue from carrying entertainment services would make a substantial difference to the economics," says a senior official, who prefers not to be named. However, the Government has to balance this against competition issues.

There are two fears about allowing BT to send television pictures down its wires. The first is that BT would end up by adding a monopoly in entertainment services to its near-monopoly in telecommunications services. This led the Peacock Committee on broadcasting to recommend in 1986 that BT should be allowed to carry entertainment services on behalf of third parties, but not on its own behalf. The rationale was that this would ensure that BT treated all companies wanting to use its network even-handedly.

BT, however, objected strongly to the proposal, arguing that it would not be able to justify investing in a new network unless it had some guarantee that it would be used. It would only be able to do this by being allowed to put its own traffic through the network if other companies failed to materialise.

The second fear is that BT would drive the cable TV companies out of business. At present, the cable companies have a monopoly over providing TV programmes via cable at a local level and are also allowed to offer telephone services. They were given this privileged position because the Government saw them as the cornerstone of its strategy for providing competition at the local level.

The cable companies say they might not be able to compete if BT — with its vast financial strength and existing customer base — was allowed into their market. "We aren't even gnat-sized compared to BT," says Roger Marshall, managing director of East London Telecommunications, one of the few cable companies to have started offering a telecommunications service.

Professor Bryan Carsberg, director general of Oftel, acknowledges that, in the future, it will probably make economic sense to allow television and telecommunications signals to be sent over the same network. However, he argues that the time is not ripe, because it is still unclear what the best technology is. Fibre optics may prove to be the correct solution, but other technologies such as radio may be better. He wants to see competition between different companies trying out different approaches. He also points out that the regulations are flexible enough to allow BT to build a pilot fibre-optic network.

Carsberg's hope is that the cable companies will grow stronger, so that they will eventually be able to challenge BT in telecommunications. In some parts of the country, cable companies may even be able to elbow BT out of the picture. At present, such hopes look fanciful. So far, only one in every 500 homes is connected to cable TV

Given the competing pressures, the Government may be justified in delaying a decision for another two years. Even if it were allowed to put TV pictures down its network, BT admits that it would be unlikely to do anything for the next three years. This gives the Government a breathing space, but it cannot sit on the fence forever.

In 1990 it is committed to a wide-ranging review of telecommunications policy, which will centre on whether to throw open the telecommunications market to more competitors. It will then have to give clear signals to the cable and optoelectronics industries and to BT.

British energy policy

Heading towards a nuclear dead-end

By Alan Cottrell

The Government's attitude to nuclear power no longer makes sense. Its words and actions point in opposite directions. It says that we shall now need much more nuclear power, because of the "greenhouse" problem. This further strengthens a case, already established 40 years ago, that nuclear power is essential if we are to avoid an energy famine in the 21st century. The exhaustion of oil and natural gas supplies in the next half-century, the need to reserve fuel for Third World countries and the inability of renewable energy methods and conservation measures to span more than a minor part of the coming energy gap, have long made plain that we would be depending mainly on coal and nuclear energy to solve this problem. But coal burning has also now, in turn, come seriously into question, initially because of the acid rain problem but recently even more importantly because of the potentially cataclysmic effects of world temperature changes which will be brought about by the greenhouse action of carbon dioxide emissions. Nuclear power thus remains as the only major and expansible form of energy production for the next century. Mrs Thatcher and Mr Ridley have been right to emphasise this.

At first sight the Government seems to be acting in accordance with this, since it has endorsed the present programme of Pressurised Water Reactor (PWR) constructions. However, the Department of Energy's recent actions will actually reduce Britain's civil nuclear capability in the next century. First, because it has structured the privatisation of the electricity supply industry in a way that will cripple its research and development facilities, which are at present one of the country's great assets. This will especially weaken our nuclear electricity generating operations. The smooth, efficient, safe and reliable running of a nuclear power station depends in the long term just as much on scientists and research engineers as does coal mining on miners or oil production on drillers.

Second, the Department of Energy decided last July to cut the Fast Breeder Reactor (FBR) development programme by 80 per cent, next year, and has now announced that there will be a similarly draconian cut in its funding of fusion energy research, retaining only the minimum necessary to honour inescapable international obligations until such time as their agreements run out. These actions mean that Britain will be incompetent in those very forms of nuclear power that will, alone, be serving mankind at the end of the next century.

The point is such an old familiar one that it seems now to have been forgotten. All "thermal" reactors such as PWRs (and Advanced Gas-cooled Reactors) use uranium so inefficiently that only the richest ore deposits are able to fuel them economically. Worldwide, these deposits amount, when used in thermal reactors, to an energy resource only about half of that of the world's oil; and so will quickly be consumed when everyone turns strongly to nuclear power, as expected by Mrs Thatcher and Mr Ridley. It is quite possible by 2030 and virtually certain by 2050 that any remaining PWR stations will then have to stand idle because of prohibitively expensive fuel costs. The end for the era of thermal nuclear power is now only one to two reactor lifetimes away.

The end of thermal nuclear power is one to two reactor lifetimes away

It has been well understood since the earliest days of nuclear energy that the ultimate methods for power generation are FBR and fusion, because these can provide virtually infinite energy sources capable of serving mankind in perpetuity. Thermal reactors are a mere stepping-stone on the road to this goal. An FBR can use uranium 60 times more effectively than a PWR. Its raw fuel bill is thus so insignificant that very low-grade ores can supply it economically and these are far more abundant, measured as energy sources for FBR, than the world's coal resources. The future for fusion power stations is even more unlimited because the oceans could supply all their deuterium fuel for thousands of years.

In view of this, how are we to understand the Department of Energy's actions? Their rationale appears to be that if a project is commercially attractive, then industry will take it up automatically; but if it is not, then the Government will have none of it. This Morton's Fork is designed by fools since it omits those strategic considerations which should be the proper concern of a government. It would have left us without radar in 1940, without a Thames Barrier today and may leave our children eventually without electricity. Where is the wisdom in this or the vision of the future? Does not the Department of Energy think it odd that the Japanese — who are no-one's fools when it comes to commercial opportunism — are going flat out to produce commercial FBRs by 2030 and are also spending ten times as much as Britain (before these cuts) on research into fusion energy?

It can only be supposed that the Government has been seriously misled, by its advisers, into thinking that we are running along a main line towards an unlimited future of nuclear power, when actually the Department of Energy has shunted us into a siding, where in a few years' time we shall be up against the buffers.

Speaking to the Royal Society recently, Mrs Thatcher said admiringly that "the value of Faraday's work today must be higher than the capitalisation of all the shares on the Stock Exchange." But even Faraday was challenged by the short-sighted of his day to justify the utility of his work. His devastating reply "what use is a baby?" ought to be on the Cabinet's agenda.

Sir Alan Cottrell was Chief Scientific Adviser to the British Government 1971-74 and a member of the UK Atomic Energy Authority until 1987

LETTERS

Nuclear power costs

From Mr P.E. Watts.

Sir, Your article (December 7) on the economics of new nuclear and coal-fired power stations reads more into the Central Electricity Generating Board's (CEGB) estimates of comparative costs than is in the text.

The board's estimates do not show that electricity from a nuclear power station would cost half as much again as that from a coal station on the assumption that it had to earn a real rate of return of 10 per cent. At 10 per cent, the CEGB's central view shows the cost of generation from a new nuclear station would be 3.80 pence per kilowatt hour (kWh), compared with 3.35p/kWh for a coal station — making nuclear at this rate of return about 13 per cent higher.

If all the assumptions about capital cost, construction period, life and availability of the stations were taken at the adverse end of the range of probabilities — as envisaged in your article — nuclear would be about 17 per cent higher.

It would appear that your conclusions were based on the CEGB's table of the net effective cost (NEC) of new power stations. This table is a means of ranking the alternatives. However, NECs deduct savings from costs, and so are no more a guide to total costs than, for example, the change in the balance of trade is an indicator of the volume of exports.

The CEGB's figures set out 10 per cent at the high end of the range of rates of return. Industry's average real rate of return reached about 10 per cent last year — the first time it had achieved that level since 1969.

The CEGB's estimates indicate that at the 5 per cent rate set by Government for nationalised industries, nuclear is substantially cheaper than coal. At an 8 per cent rate of return, which is perhaps more in keeping with recent achievements of the private sector, the generation cost of a nuclear station at 3.09p/kWh would be only 2 per cent higher than an inland coal station at 3.03p/kWh.

Such comparisons assign no value to nuclear power's contribution to the diversity of primary fuel sources, which contribution reduces over-dependence on fossil fuels. Nuclear stations also help to protect consumers against future uncertainties — such as a sustained shock increase in world coal prices or an enforced movement away from fossil-fuelled generation because of concern about the "greenhouse effect."

It is against this background that the CEGB considers the construction of nuclear stations to be a sound investment for the nation.

P.E. Watts,
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'Power game' appraised

From Mr Norman Foulsham.

Sir, Max Wilkinson's "How to play the Power Game" (December 3) was interesting and enlightening, but many of the answers to the questions had no sound engineering basis. Perhaps this also applies to the privatisation proposal.

Splitting the Central Electricity Generating Board (CEGB) as proposed will not bring the power station construction staff any closer to the area board sellers. In any supply system, construction staff will not be in the same department as distribution staff. A better organisation would be to create several power boards, each with generating and distribution networks. The national grid would be jointly owned by these boards.

Any power company wanting to save money can do so by putting the supply at risk. Correction of low estimates could result in poor supply for years. Completion of new power plants — after all consents have been received — takes from 18 months (minimum) to six years or more, depending on the complexity of the plant being installed. Meeting consumer demand in the most efficient way cannot be done on a fragmented basis.

Operating an integrated system demands central control of additions to the system because location of generating plant must be associated with the ability of the network to accommodate it. Outsiders just plugging in as and when they please cannot be done.

The idea that individual consumers will be able to choose their source of generation is ludicrous. The basis of any distribution system is for the consumer to be supplied from the nearest sub-station taking supply from the national grid. Energy transported by the grid system loses its source identity when supplied from more than one power station. The large user is in a better position to negotiate a different tariff and can reduce his own power bill by local peak lopping and power factor correction.

In 1948 there were over 600 power companies, many with small generators — mainly diesel engine driven. Their unit cost was so high that they were removed from service after nationalisation. Introduction of the gas turbine did not result in lower unit costs, but their flexibility as standby plant gave the added use as peak lopping plant. Use of combined gas turbine/steam plant results in larger stations located close to cooling water supply. Their unit costs still prohibit use as base load plant.

Prices will rise before privatisation to make the shares attractive. The idea that prices will fall later is a figment of the politician's imagination. Even so, will they offer pre-increased prices?

Norman Foulsham,
13 Lovelace Drive, Pyrford,
Woking, Surrey.

Union relationships at British Rail

From the General Secretary, National Union of Railwaymen.

Sir, Given his usual meticulous attention to detail, it was disappointing to note that Jimmy Burns's article "BR calls all change on the union front" (December 7) contained a number of errors of fact.

It is not true that most National Union of Railwaymen (NUR) decision-makers "have held their posts over a long period". Under the rules of the union, both NEC members and AGM delegates have to retire after three years in office, and are not eligible for re-election for a further three years. Negotiations on the train-crew concept took 18 months, not the seven years implied by your correspondent.

It was a little surprising that he did not make clear that BR's proposal on restructuring was a response to an NUR claim first made six years ago. If there have been delays, they are not one-sided.

Of course, unions take time to arrive at decisions — it is what democracy is all about. BR took many months to devise a new negotiating procedure — and then changed its mind. Are we expected to respond overnight?

Far from being the dinosaurs suggested in the article, it is the unions who have consistently argued for higher investment in railways and public transport. Public opinion has at last caught up with us. It is the unions which have argued that BR's pay structure was inhibiting recruitment. Again we have been proved right. Only six months ago BR was telling the media that it had no trouble recruiting and retaining skilled technicians. Now it is offering these grades another £30 a week to "assist retention".

The NUR has never been afraid to adapt its policies and structures where this has proved to be necessary. However, this does not mean we jump every time BR asks us to.

I would suggest that the general tone of the article has more to do with BR senior management polishing up its image prior to privatisation — perhaps in anticipation of a management buy-out — than any genuine desire to improve the lot of railway workers.

J. Knapp,
National Union of Railwaymen,
Unity House,
Euston Road, NW1

Power in 1992

From Mr Felix Bruppacher.

Sir, While I agree with Maurice Samuelson's report (November 16) on the sensitivities with which present participants view the EC Commission's efforts to integrate the electricity sector into plans for 1992, I fear that my remarks on the Commission's investigations into various models for operating the transmission network in Europe might have been misunderstood.

To my knowledge, the Commission has not yet taken any decisions on the subject, nor am I able to say which of the operating models under study it might favour.

F. Bruppacher,
Elektrizitäts-Gesellschaft Laufenburg AG,
CH-4335 Laufenburg,
Switzerland

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FINANCIAL TIMES
Wednesday December 14 1988

Wish their contented customers and ICL friends a Happy Christmas and prosperous New Year.

Employers unveil their charter for Europe

Ian Davidson examines a solemn declaration and demands for economic freedoms

A FIRST-EVER summit meeting of all Europe's employers' organisations yesterday launched a solemn charter in support of Europe's single market, scheduled to be completed by the end of 1992.

The significance of yesterday's event probably lies more in its political symbolism than in the contents of the charter itself. By and large, the terms of the employers' charter for Europe are much as one might expect. But the fact that the employers' organisations have chosen to draft such a charter, and to publish it in circumstances designed to secure maximum media attention, is no doubt symptomatic of the growing pressure of the business community behind the European single market.

The charter, which took the form of a 16-point declaration setting out the employers' commitment to the freer market, as well as a series of demands the European Community and the governments of the member states, was publicly endorsed by the heads of the employers' organisations of the 12 members of the European Community, as well as by their counterparts in eight other European countries.

The presentation of the "solemn declaration of the companies of Europe" was held as the climax of a special congress of the French employers' organisation, the Conseil National du Patronat Français (CNPF).

After the ceremony, conducted before an audience of some 4,000 French businessmen, the European business leaders presented their declaration to President François Mitterrand at the Elysée Palace.

Mr François Perigot, head of the Patronat and chief instigator of yesterday's declaration, told the Congress: "If we do not create a true Community, we shall not long survive. What is at stake is a modernisation of France. There is no other solution."

The declaration addresses four demands to institutions of the European Community:

- to encourage a better convergence of economic and monetary policies, to guarantee financial stability in Europe;
- to develop policies which would enable backward regions to catch up, as the necessary condition of developing a harmonious single market;
- to extend co-operation with other countries of Europe so as to create "a vast economic space in Europe, a centre of growth and economic liberties;" and
- to secure "equality and reciprocity" in market access in trade negotiations, according to the rules of the General Agreement on Tariffs and Trade (Gatt).

The reference to "a vast economic space in Europe" is no doubt a gesture by the 12 employers' organisations from inside the Community to the other eight. Austria, Switzerland, Sweden, Norway, Finland, Iceland, Malta and Turkey are not members of the Community, but their employers' organisations are members of the European confederation of employers' organisations, UNICE.

The claim for "equality and reciprocity" in trade negotiations will inevitably be interpreted in some parts as a disguised call for a qualified form of protectionism, reinforcing accusations in the US and Japan that the single European market is intended to set up a protectionist "Fortress Europe." This accusation was explicitly rebutted by the heads of the 12 governments in a joint declaration at their recent summit meeting in Rhodes.

The declaration also calls on the governments of the 12 member states:

- to reduce bureaucracy and provide a European area of freedom;
- to favour investment, by containing the weight of corporate taxation;
- to guarantee that the management of governments and public services will be run more efficiently; and
- to modernise educational systems so as to give the young the best possible chance in the Europe of the single market.

Significantly absent from the declaration is any disposition to compromise with the concept of a "Social Europe" as defined by Mr Jacques Delors, President of the European Commission.

The declaration offered no more than an undertaking to continue a tradition of social dialogue. This is likely to be a subject of contention next January, when Mr Delors holds a joint meeting with Europe's employers and trade unions.

Pretoria cedes independence to Namibia

By Anthony Robinson in Brazzaville

SOUTH AFRICA yesterday committed itself to elections in Namibia in November next year in return for a Cuban troop withdrawal from Angola, thus ceding independence to the territory it has controlled for more than 70 years.

Brazzaville, capital of Congo, was the venue for the signing of a pact which paves the way to United Nations-supervised elections in Namibia and which saw South Africa, Angola and Cuba agree on the phased departure of Cuban forces from Angola.

The agreement which should end one of Africa's longest wars, will be supervised by the UN and both superpowers.

At a formal signing of the "Brazzaville Protocol" in the Palais du Peuple, the three governments agreed that implementation of UN Resolution 435 should begin on April 1 next year. The resolution envisages a seven-month transition to elections and the withdrawl of Cuban troops over 27 months.

This will be verified by a special joint commission which will monitor withdrawal and provide a forum for complaints. Both the US and the Soviet Union would have observer status in the commission, which must be approved by the UN Secretary General. Namibia will be invited to join

Pik Botha: important step

on achieving independence.

The protocol signed yesterday was agreed in principle in Geneva last month. It will be followed by a final meeting in New York on December 22 to sign a formal tripartite agreement linked to a bilateral Angolan-Cuban treaty formalising the troop withdrawal.

Both treaties will be sent to the UN Security Council for approval. Then the countdown will begin for establishing a 7,500-strong UN Transitional Assistance Group (Untag) to supervise elections to a Namibian constituent assembly by November 1. The elections are expected to give a majority to the ostensibly Marxist South West Africa Peoples Organisation (Swapo).

Cuba has undertaken to remove half its 50,000 troops from Angola by election day and relocate the remaining 25,000 beyond the 13th Parallel, 550 kilometres north of the Namibian border. At the same time, South Africa will withdraw all its troops from Namibia, apart from 1,500 who will be confined to the Oshivelo and Grootfontein bases, more than 100km from the border.

By July 1991 all the 50,000 Cuban troops currently fighting alongside Angolan Government forces against South African and US-supplied Unita forces, led by Mr Jonas Savimbi, should have left the country.

Mr Chester Crocker, the US Assistant Secretary of State for African Affairs, who has been acting as mediator, gave special thanks yesterday to his Soviet counterpart, Mr Anatoly Adamishin. He described the agreement as "a case study in the resolution of superpower conflicts."

But the protocol covers only the international dimension of the Angolan conflict. A return to peace also requires some form of internal reconciliation between the MPLA Government and Unita, which have been fighting a civil war since the country gained independence from Portugal in 1975.

A Unita spokesman described the Brazzaville agreement as "an important step for peace," and called for talks with the MPLA. If negotiations did not get under way, Unita would "intensify armed struggle," the spokesman warned.

Mr Pik Botha, the South African Foreign Minister, used the occasion to underline Pretoria's future role as an African power and thanked Congolese President Denis Sassou-Nguesso and President Mobuto of Zaire for their roles in the talks.

Mr Botha said the agreement marked an important step towards the solution of a dispute which began with the German colonial occupation of South West Africa over a century ago and which "had contributed to a hostile international attitude towards South Africa." Pretoria invaded South West Africa during the First World War and has ruled the mineral rich, semi-desert country in defiance of the UN since 1966 when the organisation's mandate was withdrawn.

Mr Crocker later added that the Brazzaville Protocol "signifies the end of a sad chapter in Africa's modern history and the beginning of a new one."

Timetable, Crocker profile, Page 4. De Beers diamond mine in Namibia, Page 34.

Peru mines strike ends as unions sign accord

By Veronica Baruffati in Lima

THE EIGHT-week old Peruvian miners' strike ended officially on Monday evening with an agreement between the Government and the unions, but miners remain at odds with mineowners and there are fears the dispute could break out again.

Miners' leaders agreed to end the strike after signing an 11-point programme with government officials, led by Prime Minister Arnando Villanueva del Campo.

The crux of the deal is the Government's recognition of the right of the National Federation of Miners, Metallurgical and Steel Workers to present industry-wide demands. Other points include early retirement, wage increases, bonuses, guaranteed holidays and the establishment of committees to deal with problems resulting from the strike.

According to Mr Saul Cantoral, secretary general of the miners' federation, the Government has now promised to introduce a bill to convert the decree recognising miners' industry-wide claims into law.

But the underlying issue behind the strike has not been resolved. The National Mining Society, the owners' association, still refuses to recognise the federation's claims, arguing that each mining company works out wage agreements with their own unions.

The previous miners' strike which ended on August 17 after 30 days, was solved in the same fashion, with a government decree then recognising the right of 80,000 miners to industry-wide claims.

The mining companies see the signing of the agreement as a graceful exit for the miners' federation from a strike which had already been broken, with over 30 per cent of miners already back at work.

For the Government, it represents a show of force on the eve of the crucial American Popular Revolutionary Alliance party congress to be held in Lima this weekend.

By yesterday afternoon, mining companies had still not seen copies of the agreement and were thus reticent to comment. Many believe that the document will gather dust and that production would slowly return to normal. But mining companies consider that by early next year the miners' federation may call for another strike because of government failure to fulfil their promises.

If pressure is exerted on mining companies to recognise miners' federation industry-wide demands, they will take their case to court and mount a nationwide campaign.

Even if miners return to work on Monday it will be at least two weeks before production levels return to normal.

Copper and zinc prices fall as strike ends, Page 34

Japanese cities crest cost of living league

By Joel Kibazo in London

THE Japanese cities of Tokyo, Osaka and Kobe continued to hold the dubious honour of being the most expensive in which to live, according to a survey of living costs and business expenses in 103 cities conducted by Business International, the business research and information group.

Latin American cities, however, appeared at the other end of the scale, with Caracas, capital of Venezuela, credited with the title of cheapest city in the world.

For the business traveller on a short trip, Tokyo was also the costliest place for an executive briefing, followed by London. The British capital ranked only 16th in the overall league of most expensive cities, but hotel prices pushed London to near the top of the league when it came to business travel.

Based on the costs incurred by an executive traveller staying overnight in a city hotel, paying for a business lunch for two, dinner for one and taxi rides, the survey found that in Tokyo the cost was the equivalent of $726. The same trip cost $499.15 in London, $453.15 in New York and $439.90 in Paris.

Mr Yohannes Mazeinga, a Geneva-based expert on the cost of executive living who helped compile the report, said the expensive hotel prices in London may soon have an adverse effect on business activity as more executive meetings may be moved to cheaper cities such as Paris and Brussels.

Oslo remained Europe's most expensive city and Helsinki edged out Zurich for second place in the list. The report says the drop in value of the dollar against currencies within the European Monetary System made European cities expensive, particularly for expatriates paid in dollars.

New York was the most expensive US city, followed by Los Angeles. Toronto was the most expensive Canadian city, followed by Montreal, with these cities ranked 21st and 22nd in the overall league table.

The report says the strength of the Canadian dollar contributed to making these cities expensive compared to US cities.

The report said that most US cities had improved their ranking due to the strength of the dollar at the time of the survey, although the weaker dollar since the survey's compilation had made American cities considerably cheaper.

The survey reported that cities like Rio de Janeiro and Sao Paulo in Brazil were still comparatively cheap places in which to live, despite inflation rates as high as 400 per cent, since the high inflation rates were often offset by regular devaluations. The exception was Mexico City where, the report said, the overvalued peso made the city one of the most expensive in the region.

The African cities of Libreville, Brazzaville, Abidjan, and Dakar made the overall top ten of the world's most expensive cities. This was because the Central Africa Franc was pegged to the French Franc and because of the heavy taxes levied on imports in the region.

IBM enlists Siemens' aid

Continued from Page 1

Siemens, with a strong background in telecommunications equipment, will form a wholly-owned US subsidiary to take over Rolm's product development and manufacturing.

The unit will combine two Rolm plants and one Siemens facility in the US and a Siemens development unit in New Jersey. Rolm's research and development site in Colorado will be phased out.

IBM will co-operate with Siemens in designing advanced equipment for handling voice and data transmissions.

The two companies will form a joint venture for marketing and servicing Rolm equipment in the US.

It will employ some 5,500 employees from IBM and the telecommunications group of Siemens Information Systems.

IBM will market a Siemens-made PBX in Europe, a weak market for Rolm. It will also continue to market Rolm products in Canada, Japan, Hong Kong and other countries.

More chaos in Armenia

Continued from Page 1

pared for a disaster on such a scale."

He said that 216 specially trained dogs (mainly French) had been used in the rescue to smell for survivors: "We (the Soviet Union) do not have a single one such dog." In this he was contradicted by his colleague, Mr Lev Vosnesensky, spokesman for the Council of Ministers, who accused him of "believing Soviet television, which unfortunately shows only foreign rescuers."

Much criticism is focusing on the poor quality of the flats in the area. Mr Nikolai Ryzhkov, Soviet Prime Minister, said that "had there been better standards there would have been less loss of life."

The paper Sovietskaya Rossiya said that the authorities in Leninakan appeared to have done nothing to secure public hygiene, and commented that "such passivity is unacceptable." The Armenian authorities have arrested seven activists in the national movement.

WORLD WEATHER

		°C	°F			°C	°F			°C	°F			°C	°F
Ajaccio	R	13	55	Dubrovnik	S	12	54	Malta	S	16	61	Rhodes	F	18	59
Algiers	R	10	50	Edinburgh	F	11	52	Manchester	F	09	48	Rio de Jo	F	30	86
Amsterdam	C	08	46	Faro	S	15	59	Manila	C	29	84	Rome	F	17	63
Athens	C	13	55	Florence	S	13	55	Melbourne	C	17	63	Salzburg	R	03	37
Bahrain	F	23	73	Frankfurt	C	09	48	Mexico City	F	23	73	San Francisco	F	19	67
Bangkok	F	29	84	Funchal	F	18	64	Miami	C	25	78	Seoul	C	10	50
Barcelona	S	15	59	Geneva	C	06	43	Milan	S	09	48	Singapore	C	30	86
Beirut	F	16	61	Gibraltar	S	17	63	Montreal	C	-14	07	Stockholm	Sn	02	36
Belfast	D	10	50	Glasgow	F	11	52	Moscow	C	-8	18	Strasbourg	C	06	43
Belgrade	C	07	45	Guernsey	C	08	46	Munich	R	03	37	Sydney	C	22	72
Berlin	C	03	37	Helsinki	Sn	00	32	Nairobi	F	25	77	Taipei	F	22	72
Biarritz	C	05	41	H. Kong	F	19	66	Naples	S	15	59	Tangier	F	17	63
Bombay	F	28	82	Innsbruck	C	04	39	Nassau	R	29	84	Tel Aviv	C	21	70
Bordeaux	S	08	46	Inverness	S	07	45	New Delhi	F	25	77	Tenerife	C	19	66
Brussels	C	09	48	Istanbul	C	21	70	New York	F	-7	20	Tokyo	C	12	54
Budapest	F	06	43	Jeddah	R	13	54	Nice	S	16	61	Toronto	C	-7	19
B. Aires	R	24	75	Jakarta	R	31	88	Nicosia	C	18	64	Tunis	F	16	61
Cairo	C	21	70	Jersey	C	11	52	Oporto	S	14	57	Valencia	S	15	59
Cape Town	S	24	75	Jo'burg	C	25	77	Oslo	F	-3	27	Venice	S	09	48
Caracas	C	23	73	Lima	F	25	77	Paris	F	10	50	Vienna	F	05	41
Casablanca	F	17	63	Lisbon	F	14	57	Peking	F	03	37	Warsaw	C	06	43
Chicago	C	-3	26	London	C	10	50	Prague	F	02	36	Washington	F	-7	19
Cologne	C	07	45	Los Angeles	C	29	84	Reykjavik	R	02	36	Zurich	C	04	39
Copenhagen	C	06	43	Luxembourg	C	05	41								
Corfu	F	14	57	Madrid	F	13	55								
Dallas	F	03	37	Majorca	F	13	55								
Dublin	C	11	52	Malaga	C	16	61								

Readings at mid-day yesterday

C-Cloudy D-Drizzle F-Fair Fg-Fog H-Hail R-Rain S-Sun Sl-Sleet Sn-Snow T-Thunder

Thatcher stands by Dublin agreement

Continued from Page 1

come of the extradition request.

Mrs Thatcher had "blown" the possibility of extradition and should consider pursuing Mr Ryan through the Irish Criminal Law Jurisdiction Act, under which those suspected of crimes outside Ireland can be tried in Irish courts, Mr Kinnock said.

While the Government has not ruled out the possibility of bringing charges against Mr Ryan in Ireland, Mrs Thatcher said that only two of the four charges against him would be valid under Irish law. There would also be problems about the security of witnesses, she said, adding that if the case failed through the absence of witnesses, Mr Ryan could not be subsequently re-tried under British jurisdiction.

Mrs Thatcher dismissed the suggestion that media coverage or other public statements in Britain may have prejudiced Mr Ryan's chances of a fair trial. She pointed out that the extradition proceedings against Mr Ryan in Belgium were held in public and the charges against him had been given wide publicity.

In his statement, Mr Murray said that every citizen had a constitutional right to a fair trial. "The effect of the material which has been published has, manifestly and inescapably, been to create such prejudice and hostility to Patrick Ryan that, were he to be extradited to Britain, it would not be possible for a jury to approach the issue of his guilt or innocence free from bias,"

THE LEX COLUMN

More connections for Siemens

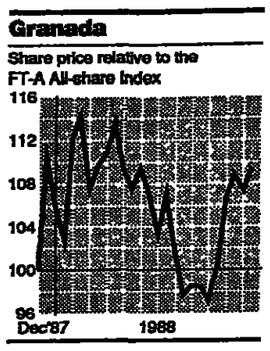
Siemens' decision to help IBM sort out its unhappy acquisition of Rolm is not as dramatic as its participation in the hostile bid for Plessey, but it is yet another sign that even the biggest players can no longer afford to go it alone. Siemens may be a giant in European terms but still lacks critical mass in several areas of its operations. Its defence business is tiny for a company of its size, and a successful bid for Plessey would greatly enhance its ambitions in this direction as well as giving it a much stronger position in a major European market where it is under-represented. And while it is a sizeable player in telecommunications systems, current trends dictate that it needs to be larger, especially in the world's biggest single market, the US.

The tie-up with IBM should go a long way towards helping on the latter score. It increases Siemens' US manufacturing base substantially, and will also much improve its distribution. For IBM, the benefits – apart from loss elimination – are less obvious. Its dreams of the captive business which would materialise by harnessing computers and telecommunications technology have failed to live up to expectations, and yesterday's move is a tacit admission of the fact.

Granada

The IBA may well be coming round to the idea that the taboo on television takeovers should be lifted well before the end of the current franchise; but that does not mean that Granada, among the most celebrated targets of the past, is going to be on the block. With rental and retail profits representing over half the group total – and television only just over a sixth – any bidder would have to purchase an awful lot of Granada television sets before it actually got to either the programmes or the airtime. And that assumes that the two could agree a deal in the first place – which can scarcely be much in Granada's interests at the moment.

But if prospects for television profits remain at best uncertain and at worst distinctly dull, the full integration of Electronic Rentals, together with a UK rental market in the best shape in years, should mean higher rentals profits for Granada this year. All sorts of new electronic toys – satellite receivers, stereo TV, and high definition television – are about to arrive to stimulate the



sated electronic consumer. But although that could be good news longer term, heavy initial investment in new products could depress profits at the start, and reduce the utility of the business as an engine for generating cash for the growing computer services division. Solid Granada will remain; and though solidity is an undoubted virtue, it probably does not merit more than it has achieved already: a prospective rating in line with the market.

Gateway

The market responded well to yesterday's interim profits from Gateway, or perhaps merely to the 17 per cent increase in the dividend. Certainly, the 23 per cent jump in first half pre-tax profits will not be easy to match in the second. Last year's problem-ridden first half was swiftly followed by the bid from Barker & Dobson, which in turn prompted an ambitious second-half forecast, subsequently met and correspondingly hard to beat. And while this year's first half margins of 4.4 per cent in the main business are ahead not just of last year's abnormal figure but also of 1986 levels, the like-for-like sales increase of 2 per cent post-inflation is a reminder that the climate for food retailers is getting chilly.

At 155p, the shares have continued their calamitous underperformance of the past three years – 47 per cent down from the peak in absolute terms, 59 per cent relatively. The prospective multiple of around 10 is at a discount to the sector, but so it should be: unless, that is, the new head of the supermarket business can be expected to make his presence felt from the outset. There is also the matter of Hermans – now expected to improve slightly over the full year, despite increased interim losses, but still a long way from the possibility of being sold for what it is worth. The yield, at 7.7 per cent even should the final be maintained, makes the shares look fairly safe; but there seems little fundamental reason to buy them.

Racal

The Racal Telecommunications success story has been well rehearsed, so the real interest in yesterday's half year figures from its parent, Racal, was how the rest of the business did. The answer is not very well. Strip out a £4.7m profit on a Florida property sale, and the non-telecom bit of Racal, which still accounts for over 80 per cent of group sales, marked time. Currency factors knocked £20m off group turnover, but nevertheless a less than 5 per cent rise in the sales of the rest of Racal's business is pretty pedestrian; and Racal lived up to its reputation for nasty surprises with a turnaround into the red in its specialised businesses.

With the £320m it raised from the sale of 20 per cent of Racal Telecom, Racal's balance sheet is in a much healthier shape, and the rapid rise in the Racal Telecom contribution over the next few years is a comfortable cushion. Even if the rest of Racal does nothing, the group's earnings will be growing by 30 per cent plus for several years. However, Racal cannot rest on its laurels. The predators may have deserted the scene temporarily, but if Racal does not start to sort out the rest of its business shortly they will doubtless return.

Booksellers

Yesterday's EC ruling on the net book agreement turned out a mere technicality on Irish exports, but initial reports of a blanket ban caused consternation in the UK book trade. Enough that television is to be subjected to the brute forces of commerce; allowing books to be sold competitively would harm both publishers and booksellers, and what is bad for the book trade is bad for the public. Investors, too, can be assured that the system will continue to support established publishers like Collins, and restrain brasher booksellers like Pentos. The printed word, after all, is special: imagine what would happen if newsagents started competing on the prices they charge for newspapers.

THE WORLD OF TI

Small diameter tube and automotive: rapid focused growth

LAST WEEK TI announced the disposal of its Cheswick and Bainbridge silencer businesses to Arvin for £110 million. Standard Tube Canada was also sold to Ferrum for £31 million. These deals substantially reduce TI's automotive interests.

Sid Taylor, President & Managing Director of TI's Small Diameter Tube and Automotive businesses, says: "We're continually reshaping TI into a group of companies which are, or have the potential to become, world leader businesses. An excellent example of how we exploit potential is what we did in little over a year in small diameter tube."

Building Bundy

Since TI formed its Fulton joint venture with ITT Higbie it has become UK market leader. Seeing the potential in this business, TI in February 1987 bought Armco's European small diameter tube interests - ten times the size of Fulton's - to become European market leader. That August, TI bought sole control of Fulton. Then in April 1988, TI acquired Bundy Corporation, which had 55% of the US market and joint ventures in the Far East, India and Central America, to achieve world leadership. Sid Taylor then integrated the individual managements, technologies and skills of each business under the famous Bundy name.

As Sid Taylor says: "We've not just maintained but significantly improved the performance of the smaller company as we've moved to the larger one. The management is now clearly focused and well able to interchange skills, so enhancing performance."

Adding value through technology

Bundy's small diameter tube goes into a range of safety critical products for the transport, refrigeration and other industries. They include brake pipes and fuel lines, and refrigerator pipework, condensers and evaporators.

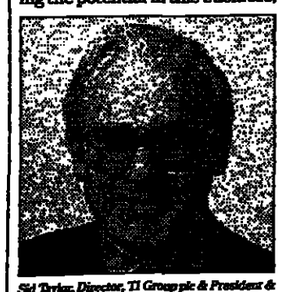
This range is created by the application of unique technologies: double-walled tube for safety, specialised coatings for rust prevention, integrated cluster systems for the automotive industry and machines that manipulate products to meet individual customer needs.

Small, purpose-built units in 13 locations in North America and 11 locations in Europe add value, rigorously check quality and supply just-in-time, keeping Bundy's fixed costs down.

Growth into the future

Bundy has great scope for future growth. There is considerable potential for new applications in existing businesses such as diesel fuel injection systems. A wide range of other uses for single wall purpose-built tubing is already being developed, including umbrella shafts and tubes for fire extinguishers. Joint ventures in 12 countries offer exciting opportunities for expansion and technology integration, especially with the Japanese. Bundy is also planning to grow its own manufacturing operations in the fastest growing markets of the Far East and Brazil.

Sid Taylor states: "We'll continue to look for opportunities to expand in all these areas, while improving Bundy's performance by developing technologies and techniques to provide the most competitive high quality product for our customers."



Sid Taylor, Director, TI Group plc & President & Managing Director TI Small Diameter Tube and Automotive.

TI Group plc 50 Curzon Street London W1Y 7FH Tel: 01-499 9141

Lovell
SEASON'S GREETINGS

FINANCIAL TIMES
COMPANIES & MARKETS
Wednesday December 14 1988

IVECO Ford TRUCK
BRITAIN'S INTERNATIONAL TRUCK MANUFACTURER

هكذا من الأصل

INSIDE

Dow's money-making theory of evolution

Dow Chemicals kept its nerve during the mid-1980s, and decided to stay put in the commodities side of the industry. Fellow US companies, Monsanto and Du Pont lost theirs and sold or shut many of their commodity chemical operations just before the market began to pick up. Now, with commodities contributing strongly, Dow's 1988 net income is set to double to $2.4bn. Peter Marsh examines how the company has prospered from a policy of evolution rather than revolution. Page 24

Italians see little mutual benefit

The strength of the Italian stock market in the second half of this year has failed to stem the flow of cash out of the country's mutual funds. Last month, however, the deficit between sales and redemptions fell, and prospects are beginning to look brighter. Page 46

Hope grows in the rain forest

INDONESIA'S rain forests are being depleted at an alarming rate by commercial logging and slash and burn agriculture. But a breakthrough by a Dutch scientist now offers hope that reafforestation can become commercially viable with the dipterocarp — the country's principal indigenous species, which takes 60 years to mature and flower for the first time. Page 34

Pac-Man goes on the offensive in Californian video battle

A real-life video game battle between the US and Japan has erupted in California. Atari Games has taken legal action charging Nintendo of Japan with illegally monopolising the market for home video cartridges. At the same time, Atari has launched a version of its popular Pac-Man game to run on Nintendo manufactured home video systems. Page 22

Unloved-by-some Gateway rings up profits of £78m

Gateway, the British supermarkets group led by Mr Alec Monk (left), has had its ups and downs over the past few years. It has not been the favourite stock of the City of London, has suffered management upheavals and had to fight off a hostile bid from the much smaller Barker & Dobson. But yesterday it reported a near 23 per cent rise in interim pre-tax profits to £78m. Page 28

Market Statistics

Base lending rates	42	London share service	40-41
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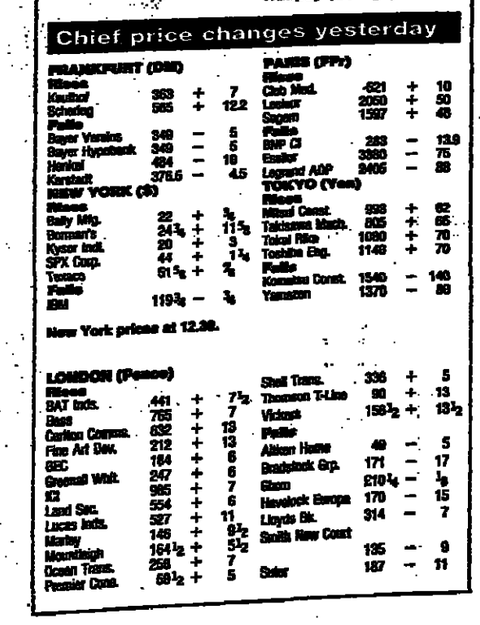


FRANKFURT (DM)

Rises			
Kaufhof	363	+	7
Schering	565	+	12.2
Falls			
Bayer Vereins	349	–	5
Bayer Hypobank	349	–	6
Henkel	484	–	10
Karstadt	378.5	–	4.5

NEW YORK ($)

Rises			
Bally Mfg.	22	+	⅜
Borman's	24¾	+	11⅝
Kysor Ind.	20	+	3
SPX Corp.	44	+	1¼
Texaco	91⅝	+	⅝
Falls			
IBM	119¾	–	⅜

New York prices at 12.30.

PARIS (FFr)

Rises			
Club Med.	621	+	10
Lesieur	2050	+	50
Sagem	1587	+	48
Falls			
BNP CI	283	–	13.9
Essilor	3360	–	75
Legrand ADP	2405	–	88

TOKYO (Yen)

Rises			
Mitsui Const.	598	+	62
Takisawa Mach.	805	+	65
Tokai Rika	1080	+	70
Toshiba Eng.	1149	+	70
Falls			
Komatsu Const.	1540	–	140
Yamazen	1370	–	80

LONDON (Pence)

Rises			
BAT Inds.	441	+	7½
Bass	765	+	7
Carlton Comms.	632	+	13
Fine Art Dev.	212	+	13
GEC	184	+	6
Grenfell Wilt.	247	+	6
IC	985	+	7
Land Sec.	554	+	6
Lucas Inds.	327	+	11
Marley	146	+	6½
Mountleigh	164½	+	5½
Ocean Trans.	258	+	7
Premier Cons.	68½	+	5
Shell Trans.	336	+	5
Thomson T-Line	90	+	13
Vickers	158½	+	13½
Falls			
Aitken Hume	49	–	5
Bradstock Grp.	171	–	17
Glaxo	£10¼	–	⅛
Havelock Europa	170	–	15
Lloyds Bk.	314	–	7
Smith New Court	135	–	9
Sutor	187	–	11

Disappointing Activase sales hit Genentech

By James Buchan in New York

GENENTECH, the premier US biotechnology company, says it will report a loss in the current quarter because of disappointing sales of its main heart drug, known as t-PA or Activase.

The announcement, made to New York securities analysts on Monday evening and confirmed yesterday, shows the difficulties facing America's fledgling biotech industry as hopes of wonder drugs fail to bear fruit. Some analysts believe Wall Street's disappointment with Activase will make it harder for new biotech companies to raise capital.

Genentech, which is based just south of San Francisco, said its sales would tumble to about $85m in the current quarter, down over 10 per cent from the 1987 fourth quarter when Activase was first on sale in the US. The company is expected to lose between $14m and $16.5m in the quarter and turn in net income for the year of about half last year's $42.2m.

The main reason for the fourth-quarter loss is a charge of $25m which Genentech is taking to recognise that some of the Activase now clogging wholesalers' shelves may exceed its permitted shelf life and be unsaleable.

Genentech, which was founded in 1976 to commercialise genetic engineering, said sales of Activase would reach $150m this year, with a 20-25 per cent increase next year. The industry says these are astonishing figures for a drug approved for sale by Washington only last November.

Analysts say that not only Wall Street is to blame. "It can't be said that the company didn't smile on the excess expectations on Wall Street," said Mr Samuel Isaly, an analyst at Warburg Securities in New York.

Genentech stock, which traded as high as $85 in a tumult of euphoria over Activase in early 1987, was unchanged yesterday at a lowly $15¾. Other biotech companies which tapped investors' enthusiasm for biotech by raising venture capital, such as Amgen, Cetus and Chiron, have all seen their stock fall since early 1987.

Some analysts believe some start-ups will be forced to link up with cash-rich companies in the traditional pharmaceuticals industry if they are to fund new product research and development.

Mr Kirk Raab, Genentech's president, said the company would now expand its hospital sales force and concentrate on convincing doctors of the benefits of thrombolytic therapy and the use of Activase.

Lonrho fails to win share freeze order

By Raymond Hughes, in London

LONRHO, the international conglomerate, has failed to get a temporary order freezing 95.02m of its shares, 21.5 per cent of the equity, held by companies controlled by Mr Alan Bond, the Australian entrepreneur.

The High Court yesterday accepted an undertaking by Mr Bond and five of his companies not to dispose of the shares, or any interest in them, pending a full court hearing next month.

However, Mr Justice Hoffmann rejected a plea that the undertaking should allow the Bond companies to accept any general offer for the entire share capital of Lonrho. That, he said, would enable them to dispose of the shares if a bid were made before the full hearing.

Lonrho was given leave to appeal.

The judge said that Bond interests started to acquire Lonrho shares in late September. Lonrho served notices under section 212 of the 1985 Companies Act requiring information about the Bond holdings of its shares.

The early replies had established that the shares were being acquired by Bond Corporation Holdings and vested in its wholly-owned subsidiary, Hurstmere Finance.

No mention had been made of any companies in the Bell group, in which Mr Bond had a controlling interest, having an interest in the shares.

However on November 14 it had been revealed that the beneficial owner of 20m of the shares vested in Hurstmere was Wilshire, a Bell subsidiary.

A further answer on November 25 stated that Hurstmere only held 18.75m shares beneficially, the remaining 76m or so being held by it on trust for Wilshire, beneficially for the Bell group.

More recently the Bond companies had announced to the Perth Stock Exchange that the whole of the 76m shares held on trust by Wilshire had been acquired for Wilshire beneficially in the first place.

The judge said that Mr Michael Crystal, QC, for the Bond companies, accepted that the early answers had not been correct.

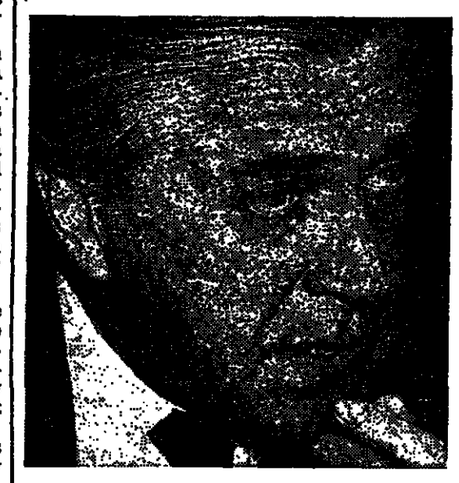
"He said, however, that that was not the result of any deliberate wish to conceal information. It was rather a misunderstanding in England as to what was happening in Australia, or vice versa, and that the answers which had now been given were correct."

Mr William Stubbs, QC, for Lonrho, had argued that a freezing order was desirable to put pressure on the Bond companies to give more information, including a full explanation of the contradictory replies.

Lonrho also wanted details of any agreements to acquire the shares – in particular whether such agreements referred to the possibility of a bid for Lonrho.

The judge said it would not be right to assume that the Bond companies' present position – that whatever inaccurate information had been given earlier, the beneficial ownership of the shares had now been correctly stated – was wrong.

If at the January hearing it appeared that full information had been given, and that there was an adequate explanation for the earlier inaccuracies, the court might think it unnecessary to impose a freeze.



Bond Corporation is "technically insolvent," says Lonrho's Tiny Rowland (left). A claim dismissed as "rubbish" by Alan Bond (right)

Mr Bond's tub-thumping war dance

Ray Bashford reports on a rare London appearance by the Australian entrepreneur

THE ELABORATE war dance between Mr Alan Bond, the millionaire Australian businessman and yachtsman, and Mr Tiny Rowland, the chief executive of Lonrho, increased in tempo yesterday when Mr Bond popped up in London and held an unprecedented press conference.

With the honour of his company under attack from one of the past masters in takeover mud-slinging, Mr Bond dismissed Lonrho allegations of techical insolvency as "rubbish."

If they were true, he said, Bond Corporation would not be still trading in Australia. But he was silent on his intentions towards Lonrho, amid speculation that he may launch a bid for the company early in the new year.

Mr Bond's appearance before the British press suggests that Mr Rowland has drawn blood. Even so, Mr Bond did not use the opportunity for a detailed rebuttal of the stinging allegations levelled against his company in a 93-page Lonrho document released last month.

"If you get a document that is rubbish it should be treated with the disdain it deserves and put in the rubbish bin," he said.

The press conference, held in his new palatial offices in Mayfair, where the paint is still drying, was master-minded by Mr Tim Bell, a public relations executive and adviser to Mrs Margaret Thatcher. It was generally short on specifics.

This was due in part to Mr Bond's claim that he could not talk about his intentions towards Lonrho, in which he has a 21.4 per cent stake, because of yesterday's court hearing in which Lonrho sought to freeze the holding.

However, asked whether he was willing to take up Mr Rowland's challenge to debate with him over the Bond Group's financial position, Mr Bond said: "We're not going to debate our company with him. We'll debate Lonrho with him one day."

Mr Bell and company executives later made clear that this did not refer to the possibility of a takeover. Mr Bond said: "If he (Mr Rowland) wants to talk about one of his businesses I'll be pleased to talk to him about one of his businesses one day."

Mr Rowland's document was apparently aimed at undermining Mr Bond's financial credibility and standing with international banks while, speculation has it, he is filling the war chest for a takeover battle. It concluded that the Bond group, through a tangled network of interlocking shareholdings, had gross borrowings and commitments of A$14bn ($12.1bn), an adjusted net worth of a negative A$4.2bn and a "disastrous" record as an investment.

Mr Bond replied that it was "very interesting that intelligent people take any serious note of it (the Lonrho document) when you have other information available.

"I find it deplorable that shareholders' funds should be so misused. When you are a director of a public company you have an obligation to serve all the shareholders in that public company."

While refusing to comment directly on the Lonrho allegations, Mr Bond did claim that through his continuing programme of asset disposals, the group's A$4.5bn debt at the last June balance sheet date would be "substantially reduced" by February.

The next step in the dance may well come from Lonrho: within minutes of yesterday's conference finishing, its advisers were on the telephones seeking ammunition.

Thorn-EMI in deal to sell Inmos to SGS-Thomson

By Hugo Dixon, in London

THORN EMI, the UK retailing and technology group, confirmed last night that it had reached a preliminary agreement to sell its Inmos semiconductor subsidiary to SGS-Thomson, Europe's second largest semiconductor maker.

The two companies also confirmed that, in exchange for Inmos, Thorn would take a stake in the merged group. Although they refused to elaborate on the proposed financial arrangements, it is understood that Thorn will receive a 10 per cent shareholding of the enlarged group, worth some $200m.

The preliminary agreement is subject to final approval of the companies' boards of directors, shareholders and regulatory authorities, expected next month.

A link with SGS-Thomson will create a powerful European group to compete with the US and Japanese leaders in the industry.

Racal may sell defence units

By Hugo Dixon in London

RACAL Electronics is talking to several defence companies, in the UK and continental Europe, with a view to selling or merging its £140m-turnover-a-year defence, radar and avionics businesses.

The discussions, which were revealed yesterday by Sir Ernest Harrison, Racal's chairman, are a further sign of the pressures on Europe's defence electronics companies to achieve economies of scale in research and development spending at a time when defence markets are stagnant.

The desire to spread the high costs of developing new weapon systems over a wider base has been cited by GEC-Siemens as one of the main reasons for a £1.7bn ($3.13m) hostile bid for Plessey, the UK electronics company.

On the same day that Sir Ernest announced that Racal was examining the future of its defence operations, the company reported a 44 per cent increase in pre-tax profits to £62.4m for the 28 weeks to October 14. Turnover was £760m (£680m).

The strong growth in its Racal Telecom subsidiary masked a stagnation in other parts of the group's activities. Racal Telecom tripled pre-tax profits to £30.6m in the first results reported since the parent company sold 20 per cent of its share holding in an offer for sale in October. Profits in the non-telecommunications businesses were static at £26m (£25.2m), and would have fallen but for a £4.7m exceptional profit on property sales. Non-telecommunications turnover crept up to £646m (£619m).

Sir Ernest refused to name which companies Racal was talking to about the future of its defence businesses, except to say they were mainly in the UK. The UK's leading radar and avionics companies are GEC-Marconi, Plessey and Ferranti.

Sir Ernest said a merger between GEC-Siemens and Plessey would "not be the end of the world" for Racal's defence businesses. When GEC first bid for Plessey in 1985, Racal was one of only two defence electronics companies to argue before the Monopolies and Mergers Commission that it should be blocked on competition grounds. The other company, Thorn EMI, made clear last week that it was no longer opposed to a merger.

Racal's defence, radar and avionics division saw operating profits slip to £5.6m (£6.9m).

Security, one of the two areas Racal has targetted for future growth, earned £13.7m (£12.0m).

Data communications and data network services – the other targetted area – saw profits dip to £11.8m (£11.9m).

Racal Telecom results, Page 28; Lex, Page 20

Issue take-up reflects gloomy SE

By Philip Coggan and David Waller

THE GLOOMY state of the London stockmarket was graphically illustrated yesterday when two major equity issues failed to attract investors.

Nearly two thirds of the £81m rights issue launched by Ratners, the UK's largest jewellery chain, was left in the hands of underwriters, whilst Compass Group, the catering and healthcare company, achieved only a 68 per cent take-up for its £55m offer for sale.

Mr Gerald Ratner, chairman of the company which bears his name and architect of its rapid growth from profits of just £1m in 1984 to an estimated £80m in the current year, said that the 35 per cent-plus take-up was a triumph under the circumstances.

The issue – the company's fourth in three years – was launched in the second week of October to help finance the £135m acquisition of the Zales and Salisbury store chains from Next.

Ironically, it was Next's warning a fortnight ago that this year's profits would be "substantially" lower, followed last week by the ousting of Mr George Davies as chief executive, that depressed the retail sector as a whole and drove Ratners' shares below the 175p offer price.

Mr Ratner said that his company had been unfairly lumped in with other retailers suffering from a downturn in consumer spending in a competitive market. He said despite the recent rise in interest rates to 13 per cent, business was booming in the crucial pre-Christmas period.

Compass's float was launched shortly after an offer from Betacom, which also found little favour with investors, and followed the early trading in British Steel shares which proved disappointing to those expecting a significant premium.

The pricing of the issue, which put Compass shares on an historic price earnings ratio of 12.6 is not believed to have been a significant factor. Mr John Nelson, managing director of Lazard Brothers, underwriters to the Compass issue, said: "The feedback we had was excellent but people couldn't bring themselves to get out their chequebooks."

The FTSE 100 index, which closed yesterday at 1752.6, is 4.5 per cent lower than its level on the day that the British Steel offer was priced two weeks ago today. The stores sector has fallen 8.4 per cent against the market as a whole since October 11, the day that Ratners launched its issue.

Ratners' share price fell 4p to 165p yesterday against 192p when the issue was announced.

This announcement appears as a matter of record only

Milthorp

A new company formed by the Management has completed the purchase of Milthorp Limited

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London Branch

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November 1988

INTERNATIONAL COMPANIES AND FINANCE

Nintendo under Atari Games fire

By Louise Kehoe in San Francsico

A REAL life video game battle between the US and Japan has erupted in California where Atari Games, an offshoot of the original video game company, has launched a legal attack on Nintendo charging the Japanese company with illegally monopolising the market for home video game cartridges.

Simultaneously, Atari Games has introduced versions of Pac-Man, the all-time big seller in the video game market, and two other games, designed to play on Nintendo's home video game system.

Nintendo has built a near monopoly in the US and Japanese video game markets over the past two years with its highly popular home video game machines and game cartridges. Although the Japanese company licenses other parties to design games for the machines, it insists on manufacturing all game cartridges itself in Japan and regards control over the supply of games as a key element of its business strategy, according to Nintendo executives speaking recently in Japan.

US consumers have become frustrated , however, by a severe shortage of the latest Nintendo games, caused, according to the manufacturer, by a shortage of the memory chips. Game designers, including Atari Games, have seen their sales limited by Nintendo's production shortfall.

Now Atari Games aims to capitalise upon the latent demand for games for the Nintendo system by rushing its own products to market in time for the Christmas rush.

Since its introduction in the US in 1986, the Nintendo Entertainment System home video game player and games have revitalised the video game market. The company claims an 86 per cent share of the US market, which is expected to total over $2.3bn this year.

In its anti-trust suit against Nintendo, Atari Games is seeking triple damages of $100m, accusing Nintendo of monopolising the home video game market with a system that locks out competitors'game cartridges.

"Using this barrier and its completely dominating position in the market for home video game machines, Nintendo has forced the more than 30 companies that have written games that play on Nintendo machines to have all of their game cartridges manufactured by Nintendo-Japan at prices it dictates," the suit charges. Nintendo's exclusionary practices have limited competition and drive up prices, it says.

Nintendo America, the US subsidiary of the Japanese company, declined to comment on the suit.

Atari Games was formed in 1985 as a result of the break-up of the original Atari Inc. Atari Games is privately held and has no affiliation with Atari Corporation, also formed following the break-up.

STC to pay $90m for National Semi unit

By Louise Kehoe in San Francisco and Hugo Dixon in London

STC, the UK's second largest electronics company, has agreed to buy Datachecker, a specialist US computer company, from National Semiconductor, the US semiconductor manufacturer, for $90m. The move is part of STC's strategy to build up the position of its ICL computer subsidiary in several specialist markets.

The acquisition is the second big transatlantic purchase made by STC this month. Last week the company agreed to pay $168m for Computer Consoles, a US telecommunications business.

These acquisitions are signs of renewed vigour at STC, which has made a strong financial recovery from a period of difficulty in the mid-1980s.

Datachecker has net assets of more than $50m, and recorded sales of about $200m over the past 12 months. The company has been profitable for the past 12 years, according to National Semiconductor, but its growth in the US has been hit by intense competition from IBM and NCR, the computer manufacturers.

In the first quarter of fiscal 1988 National took a $16.5m charge associated with the restructuring of its information systems division, which includes Datachecker, and the withdrawal of Datachecker's latest product.

Datachecker specialises in electronic point of sale systems for the retailing industry. This is one of the four computer markets ICL has been targetting. The others are: financial services, local government and central government. One of the attractions of Computer Consoles is that it would help STC build up its government business in the US.

National Semiconductor and STC also announced an agreement in principle under which National will grant a worldwide licence for certain patents and trademarks to STC for use in retail systems, in return for royalties payable over the next three years.

Mr Charles E. Sporck, National Semiconductor president and chief executive officer, said: "Datachecker's primary market focus, scanning systems for the supermarket industry, was a niche market for National Semiconductor. By combining forces, Datachecker and ICL have the synergy necessary to grow in the retail market place."

Explaining the move, Mr Peter Bonfield, ICL chairman, said: "The new combined organisation will have a scale of operation capable of succeeding on the world stage, increased focus on the retail market and a greater depth of product capability."

Promotions at Control Data

CONTROL Data has strengthened its senior management by promoting two executives who played major roles in restructuring the computer equipment and services group when it fell on hard times in the mid-1980s, writes Roderick Oram.

The Minneapolis-based group made Mr Lawrence Perlman, 50, president and chief operating officer and Mr John Buckner, 52, vice-chairman and chief financial officer. Mr Robert Price, 58, remains chairman and chief executive.

Strong recovery continues at Fluor

By Karen Zagor in New York

FLUOR, the California-based plant engineering and construction group, continued its recovery by reporting profits for the second successive year after a string of losses, thanks to increased orders, profits from investments in coal and lead and the continued benefits of its large-scale restructuring in fiscal 1987.

Net profits for the fourth quarter which ended on October 31 were $23.6m or 30 cents a share, against $145.5m or $1.82 a year earlier. However, the bulk of last year's profits came from discontinued operations. Continuing operations previously generated net profits of only $24.2m.

For the full year, Fluor reported net profits of $56.4m or 71 cents a share, against $26.6m or 33 cents a year earlier, on revenues of $5.13bn against $3.92bn. Continuing operations accounted for this year's entire net profits, against a loss of $75.3m in continuing operations a year ago.

During the year, Fluor's engineering and construction operations booked orders of $6bn, a 43 per cent increase.

Mr David Tappan, the company's chairman, said that the company's "backlog is well diversified among the five business sectors – industrial, hydrocarbon, power, process and government – and nearly 25 per cent of the new work put into backlog in 1988 came from outside the US."

Japanese plan second pulp mill in Alberta

By Robert Gibbens in Montreal

JAPANESE groups are investing C$1.2bn (US$1bn) in a second bleached pulp mill in northern Alberta to provide fibre for their booming paper markets.

Honshu Paper Company and Mitsubishi Corporation, through 64 per cent owned Crestbrook Forest Industries, have received the go-ahead from the Alberta Government to proceed with a mill with annual capacity of well over 500,000 tonnes, with start-up due in 1992.

Daishowa of Japan has already begun construction of a 500,000 tonnes a year pulp mill further north.

Crestbrook, which operates sawmills and a pulp mill in British Columbia and a plywood plant in Alberta, was one of two finalists in the bidding for timber rights in the Athabasca area 75 miles north of Edmonton. Granting of timber cutting rights is the essential step in any forest products investment.

The area has huge resources of aspen hardwoods and spruce softwoods, and both of thenew mills will use both species. Alberta has been developing its forest industry to diversify its oil- and gas-based economy.

The difficulty with the northern areas has been the cost of moving product to the US or to tidewater at Vancouver for overseas markets. Also infrastructure is minimal.

The provincial Government provided loan guarantees for the Daishowa mill and a domestically owned mill nearer Edmonton and is also taking up convertible debentures issued for both projects. Crestbrook is expected to receive similar aid.

● A Japanese consortium headed by C. Itoh has joined Canadian Pacific and Telesat Canada as shareholders of a new Canadian telecommunications company to provide mobile satellite communications in North America. Telesat holds 50 per cent of Telesat Mobile, CP 30 per cent and the Japanese 20 per cent. Initial equity will be C$100m.

Record sales and recovery at Seat boost VW hopes

By Andrew Fisher in Frankfurt

VOLKSWAGEN, the West German motor group, is optimistic about next year after achieving record sales in 1988. New models, a move into the black by the Seat subsidiary in Spain, and progress in the difficult South American market have all contributed to improved profits this year.

Group turnover will show a rise of around 7 per cent, to nearly DM59bn ($34bn) in 1988, with unit sales of VW, Audi (the group's German up-market subsidiary) and Seat more than 3 per cent higher at 2.8m vehicles. At the same time, VW has cut its worldwide workforce by 4 per cent to 253,000 as part of efforts to curb costs and raise profitability.

VW yesterday denied reports that it planned to shed 14,000 workers from its domestic labour force by 1992. This year, through non-replacement of those leaving the company and early retirement, it has reduced its employee total at VW and Audi in Germany by around 5,000 to 128,000.

The Wolfsburg-based concern has made clear that it intends to increase its low after-tax return on turnover of about 1 per cent to 3 per cent. It gave no indication of the size of 1988 profits yesterday, but recently announced a 7 per cent rise in group earnings to DM419m at the nine-month stage. In 1987, earnings rose by 3 per cent to DM598m and Mr Carl Hahn, the chairman, has indicated that the 1988 increase will be at least 9 per cent to a minimum of DM650m.

For next year, VW said economic signs pointed to further expansion which should keep motor markets buoyant. But in some markets, the cyclical peak of demand had been reached or passed. VW's new models, including the latest Passat at the top of its range, the Corrado sports model and the latest Audis, would have a full year's impact on sales in 1989.

VW said that Seat lifted sales by 15 per cent and moved into profit for the first time in 11 years; it has been part of VW activities for two-and-a-half years. The Autolatina partnership, which groups the Brazilian and Argentinian operations of VW and Ford Motor of the US, also made considerable progress.

Deutsche Bank insurance move

By Haig Simonian in Frankfurt

DEUTSCHE BANK, West Germany's biggest bank, will later today announce its long-expected move into the life assurance business, ending months of speculation in Germany about its plans.

Details of the decision, which is likely to be announced at the bank's press conference in Düsseldorf this afternoon, remain sketchy. In particular, the question of whether it will buy an existing insurer or, as seems more likely, start up its own operation from scratch, remains unclear.

Seperately, Allianz, Europe's biggest insurance company, which is likely to be one of the groups most affected by a Deutsche Bank move, yesterday announced plans to restructure its French operations in order to bolster its presence in the local market.

Allianz is setting up a new holding company, Allianz RAS France, which will bring together most of its existing operations in France under one roof. Allianz already has two property and casualty businesses in the country, as well as small re-insurance and life activities. Together, it ranks about 20th biggest in the French insurance market.

Mr Wolfgang Schieren, Allianz's chief executive, has long recognised that his company's image in France does not yet concur with its wider presence in Europe. The latest moves mean "we will not be bigger, but they will give us a better basis to go further" in France, according to Allianz.

The restructuring still has to be approved by a shareholders' meeting of La Protectrice, one of Allianz's French subsidiaries, later this month. La Protectrice still has a small number of independent shareholders, meaning that Allianz RAS France will be listed on the Paris stock exchange, although Allianz itself will own the vast majority of shares.

Varity reports continued improvement

VARITY, the Toronto-based farm equipment and industrial engine maker, reports an increase in third-quarter earnings, continuing the improvement of the past 18 months, writes David Owen in Toronto.

The advance is attributed to higher sales, productivity gains and an improved product mix. The surplus asset sales which comprised an important element of 1987 returns, have made only a small contribution in 1988 to date.

Third-quarter earnings were US$20.2m or 8 cents a share, compared with just $5.7m or 1 cent a share a year ago. The latest figure includes $9.4m from the realisation of prior years' tax losses. In 1987, the company included a $8.7m charge relating to the write-off of its investment in Massey Combines. The 45 per cent-owned subsidiary was placed into receivership in March.

Sales rose by 13 per cent to $524.9m from $464.8m.

Nine-month income totalled $53.7m or 21 cents a share on sales of $1.66bn, which compares with a loss of $11.9m or 13 cents on sales of $1.38bn in 1987.

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Wood Gundy Inc.
Bankers Trust International Limited — Banque Internationale à Luxembourg S.A.
Commerzbank Aktiengesellschaft — Daiwa Europe Limited
IBJ International Limited — Merrill Lynch International & Co. — J.P. Morgan Securities Ltd.
Sanwa International Limited — SBCI Swiss Bank Corporation Investment banking
ScotiaMcLeod Inc. — Sumitomo Finance International

This announcement appears as a matter of record only.

Valores Industriales, S.A.

Financial Restructuring and Consolidation of

Fomento Economico Mexicano, S.A. de C.V.
and
Grupo Cermoc, S.A. de C.V.

Restructured Liabilities
US $1,314,000,000
and
Mex $70,000,000,000

The undersigned provided financial structuring services, and as lead investor made available the following funding

Term Loan
US $80,000,000
and
Equity Subscription

International Finance Corporation

December, 1988

U.S.$100,000,000 Guaranteed Floating Rate Notes due 1994
Citicorp Overseas Finance Corporation N.V.
(Incorporated with limited liability in the Netherlands Antilles)
Unconditionally guaranteed by
CITICORP
Notice is hereby given that the Rate of Interest has been fixed at 9.6875% and that the interest payable on the relevant Interest Payment Date, March 14, 1989, against Coupon No.40 in respect of US$1,000 nominal of the Notes will be US$24.22.
December 14, 1988, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK

DEVELOPMENT FUND OF ICELAND
(FRAMKVAEMDASJODUR ISLANDS)
(Established under the laws of the Republic of Iceland)
U.S.$35,000,000
Floating Rate Notes 1997
Retractable at holders' option in 1995
Notice is hereby given that the Rate of Interest has been fixed at 9.5625% p.a. and that the interest payable on the relevant Interest Payment Date June 14, 1989 in respect of U.S.$100,000 nominal of the Notes will be U.S.$4,834.38.
December 14, 1988, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank CITIBANK

هكذا من الأصل

Some Banks Run Ads to Mark the End of a Transaction

We Place Them to Mark Continuing Relationships

IBJ Schroder Bank & Trust Company, headquartered in New York, has been providing outstanding international banking services since 1923.

Our experienced professionals understand the financial and advisory needs of our corporate clients both large and small as we guide them through the financial and regulatory requirements necessary to complete transactions in the United States.

But that is only one part of the role we play. We make it our practice to understand each client's business so that we are always in a position to offer meaningful advice, ideas and service.

And that is why, for us, concluding a transaction is not an end. Just one milestone in a continuing relationship.

This announcement appears as a matter of record only

Nippon Mining Co., Ltd.
Tokyo, Japan

through its subsidiary

Nippon Mining U.S. Inc.

has acquired through a Tender Offer

Gould Inc.

We acted as Financial Advisor to Nippon Mining Co., Ltd. and as Dealer Manager and Depositary for the Offer.

IBJ Schroder
Bank & Trust Company
Corporate Finance Group
One State Street, New York, New York 10004
October 1988

This announcement appears as a matter of record only

COMPUTER ASSOCIATES

U.S. $100,000,000
Unsecured Credit Facility

Funding provided by

IBJ Schroder Bank & Trust Company
Barclays Bank of New York, N.A.
National Westminster Bank PLC
First Interstate Bank of Arizona, N.A.

The undersigned structured and arranged the above facility.

IBJ Schroder
IBJ Schroder Bank & Trust Company
One State Street, New York, New York 10004
October 1988

This announcement appears as a matter of record only

Electrolux

AB Electrolux
Stockholm

$30,000,000

Note Issuance Facility

The undersigned arranged the above facility and acts as Tender Agent.

IBJ Schroder
IBJ Schroder Bank & Trust Company
One State Street, New York, New York 10004
October 1988

This announcement appears as a matter of record only

Aviation Investors Group, Inc.

through its subsidiary

Avinves Ltd.
(owner/lessor)

$21,924,000

for

2 Boeing 737-200 Aircraft

under sale/leaseback with

Braathens S.A.F.E.

Funds provided by

IBJ Schroder Leasing Corporation

IBJ Schroder
IBJ Schroder Bank & Trust Company
One State Street, New York, New York 10004
November 1988

This announcement appears as a matter of record only

TEREX

Terex Corporation

U.S. $50,000,000
Multi Currency
Unsecured Credit Facility

Funding provided by

IBJ Schroder Bank & Trust Company
The Bank of New York
Australia and New Zealand Banking Group Limited

The undersigned structured and arranged the above facility.

IBJ Schroder
IBJ Schroder Bank & Trust Company
One State Street, New York, New York 10004
August 1988

This announcement appears as a matter of record only

TOSOH Corporation
Tokyo, Japan

through its subsidiary

Tosoh SMD, Inc.

has acquired the

Specialty Metals Division

from

Varian Associates, Inc.

We acted as Financial Advisor to TOSOH Corporation.

IBJ Schroder
Bank & Trust Company
Corporate Finance Group
One State Street, New York, New York 10004
July 1988

IBJ Schroder
Bank & Trust Company

One State Street New York, New York 10004 212-858-2000

Dow Chemical mixes ingredients for record profits

Peter Marsh on how a US chemicals group with a steady nerve is getting rich through commodity products

Calm, steady growth, a preference for evolution rather than sudden structural change, has given Dow Chemicals a solid status in the US chemicals industry.

Although by no means averse to exploiting new areas of business, Dow decided in the mid 1980s to stick to commodity chemicals when many of its rivals were pulling out. This decision appears to have payed off handsomely.

The group, which is this year on course for record profits on sales of around $16bn, has benefitted with much of the US chemicals industry from the surge in demand for many synthetic materials.

It is also performing impressively in some of the newer, research-intensive areas of chemicals – such as drugs and engineering plastics – that it has moved into since the turn of the 1980s.

Analysts say Dow's good results stem from the balance it has achieved in its business. In particular, they praise its determination of a few years ago to stay entrenched in the commodity side of the chemicals sector, which includes production of high-volume plastics, like polyethylene and basic inorganic chemicals such as chlorine and caustic soda.

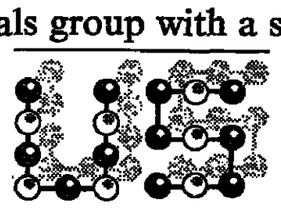
Mr William Bowman, president of DeWitt and Company, a Houston-based consultancy, says it was sensible of Dow to continue as a major player in these areas during the mid 1980s when many of its rivals were moving out.

During this period, other big US chemicals producers like Du Pont and Monsanto sold or shut down many of their commodity chemicals plants because of oversupply and the subsequent decline in prices and profits.

Mr Bowman says that, in retrospect, many of these companies made poor decisions. "They got out of major areas of chemicals just when the market was getting stronger."

In the event, Dow's decision was vindicated, with its commodity operations contributing strongly to what is likely to be net income for this year of about $2.4bn, roughly double the figure for 1987 which was itself a 70 per cent increase on 1986 profit.

Dow, however, has not hesitated to move into the newer areas of chemicals, but has



Chemical industry

done so at a gentler pace than many of its rivals. "We prefer the evolutionary approach," says Mr Joe Temple, a Dow vice-president who is also chairman of Merrell Dow, the company's pharmaceutical division.

The company, based in Midland, Michigan, splits its operations roughly equally between the newer, research-intensive areas and the commodity operations.

Dow's activities are also spread globally - just under half its sales are in the US and about a third in Western Europe.

Although some analysts have their doubts about how the commodity-chemicals side, which is notoriously cyclical, will fare in the event of an economic downturn over the next few years, Dow is generally optimistic. It is planning a big increase in its global capital spending next year which is likely to rise to $1.6bn, against $1.25bn this year, according to Mr Enrique Falla, chief financial officer.

About 60 per cent of this will be spent on the commodity side of the operations, with roughly a quarter going on new plants and the rest on expanding or improving facilities.

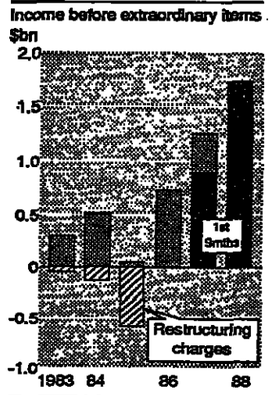
Mr John Garcia, an analyst at Werdheim Schroder, a New York investment bank, said Dow's "rational approach" to its business should see it emerge from any future recession in reasonable shape.

Mr William Young, a managing director at Drexel Burnham Lambert, another New York bank, says he has a nagging fear that the company might be too exposed on the commodity side. "But they are generally well positioned and at the moment are offering one of the best returns on the stock market."

Dow's programme of steady acceleration into the newer, specialised areas of chemicals came at the end of the 1970s. In 1980 it paid $260m for Richard-

Dow Chemical

Income before extraordinary items



son-Merrell, a pharmaceuticals group, which propelled the company into the drugs field. After several years of heavy research and development spending, the company's Merrell Dow division appears to have turned into a winner, with its $1.1m sales in 1987 likely to rise by about 20 per cent this year.

Much of the growth has been due to the outstanding performance of Seldane, the company's anti-allergy medication, which is heading for sales of $350m this year, up 50 per cent. Merrell Dow is continuing to pour money into R&D – the budget for next year is $190m, up from $165m in 1988 – and is aiming for total sales of $2.4bn by 1993.

Dow has a medium-sized agriculture-products division, an area which like pharmaceuticals is highly research intensive. The division had sales of $820m in 1987, making Dow the world's tenth biggest company in this field. The company hopes, however, to record $1bn of sales in this area by 1990.

Mr Temple scorns the idea shared by some US chemicals producers – like Union Carbide and Chevron, both of which have quit the agro-chemicals business – that the R&D costs and environmental difficulties associated with this area make the business unattractive.

Other areas of Dow's product portfolio, which it brackets as speciality items, include consumer goods like bathroom cleaners and plastic film. Dow was helped in this field with its $175m purchase in 1987 of Lamaur, a US consumer-products company.

Dow also has a leading role in supplying speciality plastics such as polyurethanes, epoxies and engineering plastics like polycarbonates. These areas together account for a world market totalling about $10bn a year.

Applications involving these materials, in which Dow's main competitors are other big chemicals concerns such as Ciba-Geigy, General Electric, Shell and Bayer, are growing quickly thanks to their use in a range of consumer and industrial goods including cars, refrigerators and electronic equipment.

In the commodity areas of chemicals, Dow has a leading market position in several fields. It is the world's biggest producer of ethylene, a basic feedstock chemical, and also polyethylene and polystyrene – two large selling plastics. It is also the biggest maker of chlorine and caustic soda.

Sales of all these substances, used in many basic businesses like construction, motor vehicles and consumer goods, are strongly linked to the industrialised world's general economic cycle.

High-profile insurance chief Larry Adler dies

By Chris Sherwell in Sydney

MR LARRY ADLER, the high-profile Australian entrepeneur with a penchant for profitable stock market deals, died in a Sydney hospital yesterday, 10 days after suffering a heart attack. He was 57.

The share price of FAI Insurances, the master company in his business empire, tumbled with the news, finishing 50 cents lower at A$2.60. It left the group with a market capitalisation of A$575m (US$493.4m), one third of its peak of more than A$1.7bn before the October 1987 crash.

Born in Budapest of Jewish stock, young Laszlo Adler joined the rush of East European migrants fleeing to Australia after the Second World War. He was unable to speak English, and started his new life as a Melbourne railway labourer.

In 1960, after a series of jobs, he founded Fire and All Risks Insurance, later called FAI Insurances. Over the years FAI expanded to become Australia's largest general insurer. But its remarkable profits growth was attributable chiefly to Mr Adler's aggressive share market trading and investments.

At the height of the five-year bull run which ended in 1987, the company had risen to become the country's 25th largest. Mr Adler enhanced his reputation for shrewdness still further when he sold out many of FAI's big investments before the crash.

His biggest play in Britain at that time involved Hill Samuel, the merchant bank, for which the Trustee Savings Bank eventually made a bid and gave him a handsome profit. This year he had built up a significant stake in Pearl Assurance, the UK insurance group.

Mr Adler always argued that he had emerged unscathed from the crash because he was different from many other Australian entrepreneurs in having a "proper core business." In fact FAI suffered along with other glamour entrepreneurial stocks.

He came in for criticism over the company's small dividends and for its foreign exchange losses, which amounted to more than A$30m net in the most recent year. The National Companies and Securities Commission (NCSC), Australia's stock market watchdog, also had him in its sights over deals involving Ariadne, Cumberland Credit and Claremont Petroleum. He had denied any wrongdoing.

Regarding his many corporate plays, Mr Adler said he only invested in a stock if it had inherent value, if it was sufficiently attractive to buy 100 per cent of it, and if others shared his opinion so he could sell it on. Instinct also played a part, he said. But no options could ever be excluded. "One of the worst things you can do is fall in love with your investments," he once said.

Yet while he was proud of his achievements and pleased with his wealth, he was not flamboyant. A diabetic, he first suffered a heart attack nine years ago. The second, on December 3, now turns out to have been more serious than originally reported.

As a result, the future of the group he came to personify is suddenly uncertain. His son Rodney, 29, who joined FAI in 1985 and became its investment manager, is one of the most favoured candidates to take over the helm. Directors will meet this week.

Trelleborg poised to sell chemicals unit

By Robert Taylor in Stockholm

TRELLEBORG, the Swedish industrial group with interests in rubber, plastics, mining and chemicals, announced yesterday it was negotiating the sale of its Boliden chemicals division to Kemira, the giant state-owned Finnish fertiliser and paints company.

If the sale goes through it would create one of the biggest chemical conglomerates in Europe, with a substantial part of the water purification business, as well as chemicals for the pulp and paper industry and calcium chloride.

Mr Rune Andersson, Trelleborg's managing director, said the company had already made clear Boliden Kemi would have to seek co-operation with another large company in a similar business area in order to grow further.

The two groups hope to complete the deal by the end of the month. Trelleborg said it had decided to sell Boliden Kemi because "we like to be the leader in the business areas where we operate such as rubber and plastics. Our share in chemicals is very small and it simply does not fit in with our philosophy."

Kemira is a dynamic state owned enterprise with a annual sales of SKr14.5bn (£1.3bn) and 15,000 employees. More than 40 per cent of its turnover comes from plants in the Netherlands, Belgium, the US, Denmark and Britain.

It is estimated to be the second biggest fertiliser company in Europe and the fifth largest titanium oxide producer in the world. Boliden Kemi would be a significant additional acquisition for Kemira, and confirm the company's continuing aggressive strategy of buying abroad.

Boliden Kemi, with annual turnover of about SKr2bn, employs 1,500 people, and was acquired with the rest of Boliden by Trelleborg in 1986. It accounts for about 8 per cent of the company's total business.

The division has a strong market position in the Nordic region in water conservation and cellulose chemicals.

Nokia board elects chief executive as shares slide

By Olli Virtanen in Helsinki

THE SUPERVISORY board of Nokia, the Finnish electronics group, yesterday elected Mr Simo Vuorilehto, 58, as chief executive in place of Mr Kari Kairamo who died at the weekend.

His sudden death shook the confidence of investors in the company yesterday. Its ordinary shares fell 6 per cent during the day while free and restricted preferred shares plunged 12 per cent.

The strong market reaction was, according to analysts, largely based on reports that Mr Kairamo committed suicide. He was found dead at home on Sunday, but Nokia has said only that he died from a "sudden illness."

The loss is unquestionably a blow to Finland's largest privately held industrial company, which under Mr Kairamo's leadership had become a major electronics group in Europe during the past couple of years. On the other hand, his agenda for the group's development has by now been carried out.

Nokia is now consolidating its position as one of Europe's leading consumer electronics companies, the biggest data group in the Nordic countries, the world's leading cable machinery manufacturer, and a major player in the development of the GSM pan-European digital cellular telephone network.

According to one industry watcher, the company now needed a technocrat to take charge of forging recent acquisitions into a working operation. Mr Vuorilehto is regarded as having the necessary managerial skills.

To enhance its access to U.S. investors

Volkswagen Aktiengesellschaft

has established an American Depositary Receipt program sponsored by Morgan Guaranty Trust Company.

Volkswagen is the first West German company to undertake a sponsored program for ADR's. Sponsored programs have traditionally made foreign securities more attractive to U.S. investors and offer an excellent means of building a broader shareholder base.

J.P. Morgan is the world's leading ADR issuer, handling over 500 companies in 29 countries. For more information, contact Robert E. Thys, Vice President, in Brussels at (32-2) 508.84.30.

JPMorgan

JPMorgan

Data Documents, Inc.

has sold

Data Documents S.A.

and

Data Documents B.V.

to

John Waddington PLC

The undersigned initiated this transaction, assisted in the negotiations and acted as financial advisor to Data Documents, Inc.

DEAN WITTER CAPITAL MARKETS

New York Atlanta Boston Chicago Dallas Los Angeles San Francisco London

November 1988

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هكذا من الأصل

Business is not and cannot be apart from the community – it is a part of the community.

The Prime Minister, the Rt Hon Margaret Thatcher MP
Delivering the Second Per Cent Club Annual Lecture 8 December 1988

ACATOS & HUTCHESON plc
ALBRIGHT & WILSON LTD
ALLIED DUNBAR ASSURANCE plc
ALLIED LONDON PROPERTIES Plc
AMEC p.l.c.
AMERICAN EXPRESS TRAVEL RELATED SERVICES
AMERSHAM INTERNATIONAL plc
ANGLIA TELEVISION GROUP PLC
ARTHUR ANDERSEN & CO.
ARTHUR YOUNG
ASDA GROUP PLC
ASSOCIATED NEWSPAPER HOLDINGS p.l.c.
ATTWOODS Plc
BANK OF SCOTLAND
BARCLAYS BANK plc
BESTWAY CASH AND CARRY LIMITED
B.A.T INDUSTRIES plc
BET PUBLIC LIMITED COMPANY
BLUE CIRCLE INDUSTRIES PLC
THE BOC GROUP plc
BOWRING UK Ltd
BRITISH & COMMONWEALTH HOLDINGS PLC
BRITISH AEROSPACE PLC
THE BRITISH LAND COMPANY PLC
BRITISH NUCLEAR FUELS plc
BRITISH TELECOMMUNICATIONS plc
BUNZL plc
THE BURMAH OIL plc
THE BURTON GROUP Plc
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CITICORP
COATES VIYELLA Plc
COLOROLL GROUP PLC
COOPERS & LYBRAND
CONSOLIDATED GOLD FIELDS PLC
DELOITTE HASKINS & SELLS
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ELDERS IXL LIMITED
RICHARD ELLIS
ERNST & WHINNEY
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FISONS plc
FOCUS Ltd
THE FORBES TRUST
THE FRIZZELL GROUP LIMITED
GIROBANK plc
GLAXO HOLDINGS p.l.c.
GRAMPIAN HOLDINGS p.l.c
GRAND METROPOLITAN PLC
GRANT THORNTON
GUARDIAN ROYAL EXCHANGE plc
GKN plc
GUINNESS PLC
HEALEY & BAKER
HERON INTERNATIONAL
H.J. HEINZ COMPANY LIMITED
THE HIGHLAND DISTILLERIES COMPANY plc
HILLIER PARKER MAY & ROWDEN
HILL SAMUEL BANK LIMITED
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JOHN MENZIES plc
JOHNSON WAX LIMITED
JONES LANG WOOTTON
J SAINSBURY plc
KELLOGG COMPANY OF GREAT BRITAIN LIMITED
KLEINWORT BENSON GROUP plc
KNIGHT FRANK & RUTLEY
KODAK LTD
LADBROKE GROUP Plc
JOHN LAING plc
LAURA ASHLEY HOLDINGS plc
LEGAL & GENERAL GROUP Plc
LEIGH INTERESTS plc
LEX SERVICE plc
THE LITTLEWOODS ORGANISATION plc
LLOYDS BANK Plc
3M UNITED KINGDOM PLC.
E.D. & F. MAN LTD
LONDON & MANCHESTER GROUP plc
MARKS & SPENCER p.l.c.
McDONALD'S HAMBURGERS LIMITED
MERCURY ASSET MANAGEMENT GROUP plc
MERRILL LYNCH EUROPE LIMITED
MEYER INTERNATIONAL plc
MIDLAND GROUP
MITSUBISHI ELECTRIC UK LTD
MORGAN GRENFELL GROUP plc
NATIONAL FREIGHT CONSORTIUM p.l.c.
MOUNTLEIGH GROUP plc
NATIONAL WESTMINSTER BANK PLC
NORTHERN ENGINEERING INDUSTRIES plc
N.M. ROTHSCHILD & SONS LIMITED
OCEAN TRANSPORT & TRADING plc
PANNELL KERR FORSTER
PEARCE SIGNS GROUP
PEARL ASSURANCE PLC
PEARSON plc
PEAT MARWICK McLINTOCK
PENTLAND INDUSTRIES Plc
PERSIMMON PLC
PILKINGTON BROTHERS plc
THE PLESSEY COMPANY plc
PRICE WATERHOUSE
PRUDENTIAL CORPORATION plc
RANKS HOVIS McDOUGALL plc
RANK XEROX LIMITED
REED EXECUTIVE plc
REED INTERNATIONAL P.L.C.
REGALIAN PROPERTIES PLC
ROSEHAUGH PUBLIC LIMITED COMPANY
J. ROTHSCHILD HOLDINGS plc
THE ROYAL BANK OF SCOTLAND plc
ROYAL INSURANCE HOLDINGS plc
ROWNTREE plc
RTZ CORPORATION PLC
S & W BERISFORD plc
SAATCHI & SAATCHI ADVERTISING LIMITED
SAVE & PROSPER GROUP LIMITED
SCOTTISH & NEWCASTLE BREWERIES plc
SCOTTISH TELEVISION plc
SLOUGH ESTATES plc
SOTHEBY'S
SMITHS INDUSTRIES plc
SONY (U.K.) LIMITED
SPENCER STUART & ASSOCIATES LTD.
SPICER & OPPENHEIM
W H SMITH GROUP PLC
SUN LIFE ASSURANCE SOCIETY plc
TATE & LYLE PLC
TAYLOR WOODROW CONSTRUCTION Ltd
THAMES TELEVISION plc
TI GROUP plc
TSB GROUP plc
TESCO plc
TOP TECHNOLOGY Ltd
TOUCHE ROSS & CO.
TVS TELEVISION LIMITED
TYNE TEES TELEVISION LIMITED
TULLIS RUSSELL & CO. LTD
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UNITED NEWSPAPERS plc
VAUX GROUP plc
VICKERS P.L.C.
VIRGIN GROUP plc
S.G. WARBURG GROUP plc
THE WELLCOME FOUNDATION LTD
WHITBREAD & COMPANY, PLC
WOOLWICH EQUITABLE BUILDING SOCIETY

The above companies are committed to making a significant contribution to the communities in which they operate. All have undertaken to spend no less than half a per cent of their UK pre-tax profits, or one per cent of gross dividends, on charitable or community activities.

Companies who want to join us in making the same commitment should write or telephone the Per Cent Club at Business in the Community, 227A City Road, London EC1V 1LX. Telephone 01-253 3716.

COMPANIES COMMITTED TO THE COMMUNITY

This announcement appears as a matter of record only.

LCI Communications Holdings Co.

has acquired

LCI Communications, Inc.

and its wholly-owned subsidiary

LiTel Telecommunications Corporation

for

$200,000,000

We structured and negotiated the above transaction, and our venture banking affiliate, Warburg, Pincus Capital Company, L.P., acted as lead investor.

E. M. WARBURG, PINCUS & CO., INC.

NEW YORK LONDON LOS ANGELES

November 1988

INTERNATIONAL CAPITAL MARKETS

Two sterling deals form focus of subdued trading

By Dominique Jackson

TWO STERLING denominated deals, one domestic and one Eurosterling, formed the sole focus of new issue business in the Eurobond market yesterday, with today's US trade report for December subduing activity in most other sectors of the market.

With investor demand thinning markedly ahead of the year end and most senior syndicate officials busy with a string of seasonal parties, the majority of new deals issued are expected to be connected with traditional last-minute jockeying for positions in the underwriting league tables.

Secondary market business was thin and most bond prices fell marginally in response to yesterday's release of US retail sales data for November, which were far stronger than expected. This fanned expectations that the US Federal Reserve would soon move to tighten monetary policy.

Fears that many key interest rates in Europe will rise, led by the Bundesbank tomorrow, also affected sentiment in the non-dollar sectors of the Eurobond market.

J. Henry Schroder Wagg was the lead manager on a £100m issue for Lucas Industries, UK aerospace, automotive and industrial group, which reopened the long-dated end of the Eurosterling sector with an issue due 2020.

The issue was priced at 98.907 to yield 158 basis points over the 9 per cent Treasury stock due 2008, a level which some sector specialists at houses not involved in the deal considered to be slightly on the tight side.

INTERNATIONAL BONDS

However, gilt market traders detected fair demand for the deal and said there was a fair amount of switching out of government securities into both the Lucas deal and a £100m domestic issue for Enterprise Oil, the UK's largest independent oil and gas producer.

The Enterprise deal constitutes a further tranche of the unsecured loan stock, first issued in June of this year.

Barclays de Zoete Wedd and S.G. Warburg Securities are lead managers on the issue which will form a single series of £200m 10⅞ per cent unsecured loan stock 2013. The funds will be used to contribute to the capital expenditure of its North Sea developments and the recently discovered Nelson field.

The issue was priced at 97.10 per cent to yield 185 basis points over the 9 per cent Treasury stock of 2008.

● In Switzerland, a SFr23m floating-rate note issued in July 1980 for the Banque Ivoirienne de Developpement Industriel continued under pressure.

Neither the borrower nor the guarantor of the deal, which is the Republic of the Ivory Coast, has met an interest payment which was due on July 17. Banque Gutzwiller Kurz Bungener, now Bank Leu Geneva, was the original lead manager on the deal.

The borrower has now been notified that if the interest payment is not met, the total amount outstanding on the deal plus accrued interest, totalling SFr13.64m, will be called for payment next month. The deal was trading at a level of around 94 yesterday. Earlier this year, it reached 101.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
STERLING						
Lucas Industries◆	100	10⅞	98.907	2020	2½/2	J.H.Schroder Wagg
YEN						
Union Bk of Finland‡◆	8bn	(a)	100¼	1994	50/25bp	LTCB Int.
BNP(b)◆	20bn	6	101⅞	1996	1⅞/1¼	Bankers Trust Int.
AUSTRALIAN DOLLARS						
Issue increased:						
Fin.Co.S.Australia(c)◆	60	15	101.60	1991	1¼/¾	CCF
ECUs						
Final terms fixed:						
SCA Cap. Corp.(d)§◆	101	4¼	100	2004	2½/1½	Svenska Int.
US DOLLARS						
Final terms fixed:						
Tokyo Steel(e)Φ◆	120	4⅜	100	1992	2¼/1½	Nomura Int.
Daishinpan Co.(f)Φ◆	100	4¾	100	1992	2¼/1½	New Japan Secs.

ΦWith equity warrants. ‡Floating rate notes. ◆Final terms. §Convertible. a) Coupon pays 55bp under Japanese long-term prime rate. b) Dual-currency - redemption linked to US$. c) Increased from A$50m. d) Coupon indicated 4¼-4½. e) Coupon indicated at 4¾%. f) Coupon fixed as indicated.

FT INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market.

Closing prices on December 13

US DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey National 7½ 92	200	†93⅛	93⅝	−0⅛	−0⅛	10.01
A/S Eksportfinans 7¼ 92	150	93⅛	93⅝	0	0	9.81
B.F.C.E. 7 92	150	92¾	93	−0⅛	0	9.69
Brit. Tel. Fin. 9⅛ 98	250	98	98½	−0⅛	+0⅛	9.65
Canada 9 96	1000	98⅛	98⅝	0	+0⅛	9.31
Canadian Pac 10¼ 93	100	†101¾	102¼	0	+0⅛	10.07
C.C.C.E 9¼ 95	300	97⅞	98⅜	−0⅜	−0⅛	9.65
C.N.C.A 9⅜ 93	150	98⅝	99⅛	−0⅛	−0⅛	6.65
Credit Lyonnais 9 91	200	†98⅝	99⅛	0	−0⅜	9.55
Credit National 8¾ 93	200	94⅝	95⅛	−0¼	−0¼	9.72
Credit National 7½ 92	100	93½	94	−0⅛	0	9.61
Credit National 7¼ 91	150	†93⅝	94⅛	0	−0⅛	9.69
Dai-Ichi Kan 9⅝ 92	150	99½	100	0	0	9.68
Denmark 7⅛ 92	500	92⅝	93⅛	0	−0⅛	9.78
E.E.C. 7 91	100	93⅜	94	0	0	9.51
E.E.C. 7¼ 93	250	91⅞	92⅜	−0¼	−0⅜	9.59
E.E.C. 8 90	350	97⅛	97⅝	−0⅛	−0½	9.77
E.I.B. 7⅝ 93	100	92⅛	92⅝	−0⅛	+0¼	9.61
E.I.B. 9⅜ 97	150	98½	99⅛	−0⅜	+0¼	9.58
Elec. De France 9 98	200	95⅞	96⅜	−0¼	+0⅛	9.64
Finland 7⅞ 97	200	89⅝	90⅛	0	+0¼	9.73
Finland 7½ 93	200	92	92½	0	+0⅛	9.59
Finn. Exp. Cd. 8½ 92	200	96½	97	0	0	9.68
Ford Motor Credit 8 91	250	†96⅛	96⅝	0	+0⅛	9.82
Gen. Elec. Cap. Corp. 9 93	500	97	97⅜	−0⅛	−0⅛	9.75
Gen Elec Credit 10¼ 00	200	†100	100½	0	0	10.19
Gen. Mtrs. Corp. 9⅛ 92	200	98¼	98¾	0	0	9.60
Halifax BS 9½ 93	200	†98⅜	98⅞	−0¼	−0¼	9.86
IBM Credit Corp. 8⅞ 91	250	†98⅛	98⅝	0	−0½	9.53
Italy 9 90	1000	†99	99½	+0⅛	−0¼	9.43
Lib. Mutual Cap. 9⅛ 93	150	†99	99½	0	+0¼	9.31
L.T.C.B of Japan 8 91	100	95⅜	96	0	−0¼	9.91
L.T.C.B. of Japan 8 97	200	89⅝	90⅛	−0⅛	−0⅛	9.87
Metropolis Tokyo 9½ 93	200	99⅝	100⅛	−0⅛	−0¼	9.53
Morgan Guaranty Tst. 7 90	150	†96⅜	96⅞	−0¼	−0⅛	9.96
Nippon Tel.&Tel. 9⅜ 98	250	98⅛	98⅝	−0⅛	+0⅛	9.63
Norway 8¾ 93	500	96⅞	97⅜	−0⅛	−0¼	9.59
Portugal 8¼ 91	300	†97¼	97¾	0	+0⅜	9.48
Prudential Crp. 8¾ 94	125	97⅛	97⅝	+0⅛	+0⅜	9.35
Qantas Airways 10⅜ 95	140	102⅝	103⅛	−0¼	0	9.74
Rep. of Italy 9½ 95	1000	99⅛	99⅝	−0⅛	0	9.62
Saskatchewan 10⅜ 92	100	102½	103	0	−0⅝	9.68
State Bk S Aust 9¼ 93	100	98	98½	−0⅛	0	9.76
Sumitomo Bank 9⅝ 92	150	99⅜	99⅞	0	−0⅛	9.72
Swed Exp Cred 7¼ 91	100	†93⅝	94⅛	0	−0⅛	9.69
Sweden 7 91	250	93¾	94¼	0	0	9.51
Sweden 7 92	250	†93	93½	0	0	9.55
Sweden 8¾ 96	200	95½	96	−0⅛	+0⅛	9.57
Sweden 8½ 92	200	†97¾	98¼	0	+0⅝	9.14
Victorian Rep 11⅛ 92	150	105	105⅜	−0⅛	0	9.73
World Bank 7 92	300	†93¼	93¾	0	+0¼	9.48
World Bank 9 97	300	97⅛	97⅝	+0¼	+0½	9.44
World Bank 9¼ 98	300	97¾	98¼	−0½	−0½	9.57
Yasuda Trust Fin 8½ 93	100	†94⅞	95⅜	−0¼	−0⅛	9.86

Average price change... On day −0⅛ on week 0

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. BK. 6 94	200	101¼	101¾	0	−0¼	5.70
Avis Fin.SVS 5⅞ 92	100	101	101½	0	−0¼	5.43
Bank of Tokyo 5⅛ 93	100	101½	102	0	+0¾	5.27
Central BK. Turkey 7 92	200	103⅞	104⅜	+0¼	+0⅛	5.75
Commerzbank o/s. 5⅜ 93	300	100¼	100¾	0	−0½	5.23
Degussa Int. 6⅛ 97	200	101¼	101¾	−0⅜	−0⅜	5.91
E.I.B 5½ 98	150	95⅛	95⅞	0	−0¼	6.14
E.I.B 6 97	300	98¾	99½	0	−0⅜	6.14
E.I.B. 6⅛ 96	300	100⅛	100⅞	0	−0¼	6.03
E.I.B. 6¼ 97	400	99⅝	100⅜	0	−0⅜	6.12
E.I.B. 6⅞ 95	300	104¼	104⅞	0	−0⅜	6.04
Euro.Coal& Steel 5⅞ 97	175	98¼	99	0	0	6.09
Eurofima 6¼ 96	100	101	101⅜	0	−0⅜	6.03
Elec De France 5¾ 97	300	98⅜	99	0	−0⅜	5.93
Forsmark Krtg. 5⅛ 93	200	98¼	98⅞	−0⅛	0	5.53
I.A.D.B. 6 97	200	99⅛	99¾	0	−0⅛	6.09
Japan Dev. Bk. 5⅜ 95	300	98⅜	99¼	0	0	5.61
Japan Finance 5¾ 97	100	97½	98⅛	+0⅛	+0⅛	6.08
Ireland 6½ 97	300	101	101½	0	0	6.30
Malaysia 6¼ 94	150	99⅝	100⅜	0	0	6.24
Nat. West BK. PLC 6 98	300	97¼	97⅞	−0¼	−0¼	6.36
N.H.L. Finance 6¼ 95	200	†99	99½	+0½	+0½	6.38
Nippon Telg.&Tel. 6 95	400	101⅝	102⅜	+0⅜	+0⅛	5.96
Oesters. Kontbk. 5 93	300	98⅛	98⅞	+0¼	−0¼	5.41
Portugal 5¾ 92	150	101⅛	101⅞	0	0	5.28
Portugal 6⅜ 95	150	102⅞	103⅜	0	+0¼	6.05
Privatbanken 5¼ 93	150	97¾	98½	−0⅛	−0¼	5.76
Royal Insurance 5½ 92	300	100⅝	101¼	0	−0⅛	5.19
Soc Cent Nuclear 7¼ 95	150	104½	105⅛	+0⅜	+0⅞	6.31
Turkey 6½ 95	500	97½	98¼	−0¼	+0⅛	6.91
Westlb. Finance 5 93	200	†99	99¾	0	0	5.23
World BK. 6¼ 97	600	100⅜	100⅞	+0⅜	−0½	6.10

Average price change... On day +0 on week −0⅛

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 5 96	150	†101	101½	+0¼	+0⅜	4.80
Asfinag 5 03	100	†100	101	0	−0½	4.95
B.F.C.E. 4½ 98	200	†98½	98¾	0	−0¼	4.68
B.M.W. Fin. Neth. 5 13	150	†95¾	96¼	−0¼	−0⅜	5.27
Britannia B/S. 4¼ 94	100	†96¼	97¼	−0½	−0¼	4.88
CIR. Int. W/W 3 93	125	†97¾	98	−1	+0⅜	3.51
Credit Lyonnais 4¾ 00	100	†97½	98	0	−0⅛	5.01
E.I.B 4⅝ 98	150	†99¼	99¾	0	0	4.69
Fletcher Chall. 4⅞ 98	150	†97¼	97½	0	+0⅛	5.23
Kobe City 4⅝ 98	150	†98	98¼	−0¼	−0¼	4.87
Leeds Perm. B/S. 4½ 93	200	†97¼	97¾	0	−0¼	4.77
Malaysia 5¼ 98	100	†98¾	99	+0½	+0⅞	5.40
Maxwell Comm. Crp. 5 95	150	†100½	100¾	−0⅛	−0⅛	4.88
Nat. Bk. Hungary 5½ 94	75	†99	99¼	0	0	5.67
Nationwide Ang. B/S. 4 93	200	†96¾	97	0	0	4.78
Nippon Telg.&Tel. 4⅛ 95	200	†98½	98¾	+0⅛	−0¼	4.49
Oesters. Ktbk. 5 03	75	†99½	100¼	+0⅛	−0½	5.01
Prov. New Foundland 5 03	150	†100	100¼	0	0	4.99
Thailand 4⅜ 95	200	†96	96¼	+0⅛	+0⅛	5.33
World Bank 5 03	150	†100½	101	−0⅜	−0⅜	4.92

Average price change... On day 0 on week 0

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Belgium 5⅜ 92	55	102⅜	102½	−0⅛	−0¼	4.71
Belgium 4⅝ 94	45	98½	98¾	−0⅛	−0¼	4.91
Canada 4⅜ 92	80	99	99¼	−0⅛	−0¼	4.64
Elec. De France 5⅛ 94	20	101	101½	−0⅛	−0⅜	4.85
Ireland 5⅛ 93	30	100⅛	100⅝	−0⅛	−0¼	5.02
Norway 5⅛ 95	50	101¼	101⅝	−0⅛	−0⅜	4.88
Rep. of Italy 5¾ 92	150	103¼	103⅜	−0⅛	−0¼	4.62
Sweden 4⅝ 93	50	99⅜	99⅝	−0⅛	−0¼	4.75
World Bank 5½ 92	50	103	103¼	0	−0⅛	4.57

Average price change... On day −0⅛ on week −0¼

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Abbey Nat. BS. 10¼ 93 £	50	97	97½	−0⅛	−0⅜	11.09
Alg. Bk. Ned. 5½ 92 FL	150	98½	99⅛	−0⅛	−0¼	5.93
Alg. Bk. Ned. 5¾ 93 FL	200	98½	99⅛	−0⅛	−0⅛	6.08
Amro Bank 6¼ 92 FL	150	101⅛	101⅝	−0⅛	−0¼	5.81
Aust. Ind. Dev. 12⅞ 93A$	100	95½	96¼	+0¼	−0⅜	14.14
Barc. Bk. 10¼ 97 £	250	94⅜	94⅞	+0⅛	0	11.23
Barclays Aus. 13½ 91 A$	100	99	99⅜	+0⅜	−0½	13.84
Blue Circle 10¾ 13	150	†96½	97	−0½	−0½	11.14
BP Capital 9¾ 93 £	100	94⅛	94½	−0¼	−0⅜	11.47
British Airways 10 98 £	100	91⅜	91⅞	−0¼	−0⅜	11.50
Buhrmann-Tet. 6⅜ 93 FL	100	100¼	100¾	0	0	6.23
Comm. Bk. Aust. 12⅝ 93A$	100	96⅛	96½	+0¼	−0½	13.55
Coop. Ctr. Rabo. 6¼ 93 FL	100	100⅛	100½	−0¼	−0¼	6.17
Coop. Ctr. Rabo. 6 92 FL	200	100⅛	100½	−0¼	−0¼	5.91
Denmark 7⅛ 92 ECU	100	†102¾	103¼	0	0	6.64
Dixons 11 95 £	90	†94¾	95¼	0	−0⅜	11.91
Deut. Bk. Aust. 12¾ 95 A$	70	99½	100	+0¼	0	12.77
Eastman Kodak 13 90 A$	100	96½	97¼	+0⅛	−0¼	15.18
E.I.B. 7 96 LFr	100	*†98¼	99¼	0	0	7.22
Elec. France 10¼ 95 C$	125	†99½	100	0	+0¼	10.28
Euratom 7⅜ 97 ECU	145	95⅛	95½	−0⅛	−0½	8.17
Fed. Bus. Dv. Bk. 9¾ 92 C$	75	†96⅞	97⅜	0	−0¼	10.74
Ford Cr. Can. 10¼ 93 C$	100	†100	100½	0	+0⅛	10.65
Gillette Can. 9⅝ 93 £	70	91¾	92¼	−0¼	−0⅜	11.91
G.M.A.C. 9¾ 93 C$	150	†96½	97	0	0	10.68
G.M.A.C Aus. Fin. 14 90 A$	50	99¾	100⅜	+0¼	−0¼	13.84
Halifax BS 10⅜ 97 £	100	94⅜	94⅞	0	−0⅜	11.42
Imp Chem Inds 10 03 £	100	93⅛	93⅝	−0½	−0⅞	10.92
Inv. Industry Int. 10 93 £	60	94½	95⅛	−0¼	−0⅝	11.57
Lloyds Bank 10¼ 98 £	150	92⅞	93⅜	+0⅛	0	11.48
Montreal Tst. 10¼ 93 C$	100	†99¼	99¾	0	+0¼	10.86
Nat. West. Bk. 13⅛ 92 A$	50	†99	99½	0	−0⅜	13.37
Nationwide BS 10⅛ 93 £	75	94⅝	95⅛	−0⅛	−0⅝	11.67
Ned. Midd. Bank 6 92 FL	150	100¼	100⅝	0	+0⅛	5.86
New Zealand 9½ 93 £	100	93	93½	−0¼	−0½	11.51
New Zealand 7¾ 93 ECU	200	100¼	100¾	+0⅛	−0¼	7.59
Northern Rock 11⅛ 00	40	†93¾	94½	−0¼	−0¼	12.34
Oesters. Ktbk. 13⅜ 94 A$	75	100⅝	101⅛	+0¼	−0⅛	13.35
Philips Gieoll. 6 93 FL	300	99⅝	100⅛	0	−0⅝	6.02
Prudential Fin. 9⅜ 07 £	150	†87¾	88¼	−0⅜	−1	10.89
Royal Bk. Scot. 10⅝ 98 £	125	94½	95⅛	−0⅛	−0⅜	11.61
Saskatchewan 9¾ 91 C$	150	†98	98½	0	−0¼	10.62
Saskatchewan 10¼ 93	200	98⅜	98¾	−0¼	−0⅛	10.65
S.D.R. 7¾ 95 ECU	90	†99⅛	99⅝	+0⅛	−0¼	7.87
World Bank 5¾ 92 FL	100	99½	100	0	0	5.82
World Bank 13⅜ 92 A$	100	—	—	—	—	—
Zentrspk. 13¼ 93 A$	75	98⅛	98½	+0⅛	−0½	13.73

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn
Alliance & Leic. Bld 94 £	.08	99.67	99.72	21/01	10.99
Belgium 91 US	0	100.13	100.24	21/02	9
Britannia 5 93 £	0⅛	99.92	99.97	10/01	12.12
Chase Manhattan Crp. 91 US	0⅛	99.50	99.67	22/02	8.94
Citicorp 98 US	†0¼	97.50	97.75	30/11	8.94
Credit Foncier 98 US	.063	99.62	99.72	20/10	5¼
EEC 3 92 DM	†0	100.87	100.97	22/02	5.63
Halifax BS 94 £	.1	99.87	99.92	8/02	12.29
Invt. In Industry 94 £	0	99.95	100.06	24/02	11.87
Leeds Perm. B/S. 94 £	0⅛	100.01	100.06	13/01	10.44
Midland Bank 01 £	.1	96.25	97.12	11/02	11.41
Milk Mkt. Brd. 5 93 £	0⅛	99.96	100.01	30/12	12.06
New Zealand 5 97 £	.07	100.08	100.18	20/02	12.16
New Zealand 5 01 US	0	99.79	99.89	4/02	8.62
State Bk. Nsw. 98 US	.188	100.28	100.38	13/02	8.87
Woolwich Equit. BS. 93 £	0⅛	99.91	99.95	13/01	12.12
Woolwich 5 95 £	0⅛	99.77	99.82	21/02	12.37

Average price change... On day +0.01 on week −0.01

CONVERTIBLE BONDS	Cnv. date	Cnv price	Bid	Offer	Chg. day	Prem
Alcoa 6¼ 02 US	8/87	62.	101¾	102¾	0	20.33
Amer. Brands 7⅛ 02 US	†9/87	56.7	107	108	0	8.84
Ashikaga Bank 2½ 02 US	4/87	967.	148⅞	149⅞	0	6.77
Asics 5 92 DM	12/83	472.7	217½	218⅞	−0½	4.77
CBS. Inc. 5 02 US	4/87	200.	91½	92½	0	8.63
Eng. China Clay 6½ 03 £	9/88	4.8	98⅝	99⅝	+0¼	9.38
Fujitsu 3 99 US	5/84	1106.	250⅛	251⅞	+0⅛	0.88
Land Secs. 6¼ 02 £	6/87	6.72	92	93	+0¼	14.26
MCA Inc 5½ 02 US	9/87	69.62	81½	82½	+0½	22.12
Minolta Camera 2¼ 94DM	2/86	1004.	97⅞	98¼	+0½	19.81
Mitsubishi Bk. 1¼ 02 US	9/87	3157.	136¼	137¼	−0⅛	4.07
Mitsui Trust 2⅝ 01 US	10/86	1903.	140	141½	−1	4.41
Next Plc 5½ 03 £	11/87	4.3	96⅛	97⅛	+0⅛	228.86
Nishi Nipp. Bk 2½ 03 US	4/88	804.	120½	122¼	−0¼	14.79
Onoda Taisei 2½ 02 US	4/87	1310.	216⅝	218	−1	−1.54
Primerica 5½ 02 US	4/87	66.75	64⅛	65⅛	+0¼	51.65
Ranks Hovis 4⅞ 03 £	†1/88	3.5	107½	108½	+0¼	8.93
Redland 7¼ 02 £	1/87	5.4	87½	88¼	0	22.30
Saatchi&Stchi 6¾ 03 £	†10/89	4.41	93¼	94¼	+0¼	30.83
Texas Inst. 2¼ 02 US	9/87	82.87	72½	73½	+0¼	60.26
W.R. Grace 6½ 02 US	9/87	42.12	81⅛	82⅝	0	33.27

* No information available-previous day's price

† Only one market maker supplied a price

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate (‡three-month; §above mean rate) for US dollars. C.cpn = The current coupon.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv date = First date of conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

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BNP may withdraw capital notes offering

By Norma Cohen

A MAJORITY of the Bank for International Settlement's members opposed at a meeting in early December a move to allow proceeds raised by a novel security to count as Tier 1 core capital for regulatory purposes.

As a result, Banque Nationale de Paris will have to decide shortly whether to withdraw a $400m offering of perpetual subordinated capital notes announced last month because of the opposition.

BNP may be able to modify terms of the securities – known as subordinated perpetual floating-rate capital notes – in order to meet regulators' objections, but risks having investors withdraw their offers to purchase them.

BNP is believed to be unwilling to issue the securities unless they count as core capital because the bank already has sufficient secondary capital and, in any event, could raise that category of capital more cheaply via other securities.

The BIS group said it would make a firm decision by March.

Similarly, Crédit Lyonnais, which has already privately placed $350m of similar securities with investors, mostly in Japan, plans a further $150m of perpetual subordinated capital notes. Changes in the conditions are already in the offering circular.

Objections are said to have been raised particularly by the UK and Germany which believe banks' Tier 1 capital should conform as strictly as possible to the shareholders' equity and the retained earnings description contained in the BIS guidelines.

However, these guidelines pose particular problems for state-owned banks who cannot turn to their shareholders for an increase in equity capital.

Underwriters for the securities declined to elaborate on certain aspects of the securities, saying details were proprietary and the issues were planned as unlisted private placements.

Regulators' concerns are believed to centre on circumstances under which the banks could withhold interest payments.

The indentures say that interest may be withheld, but will be paid cumulatively in the future if the bank's performance is poor enough to require dividends to be withheld. Thus, the securities do not suffer diminution in value if the bank performs poorly – a key characteristic of equity.

Morgan Stanley asked to detail Tokyo trading

By Our Financial Staff

MORGAN STANLEY, the international securities firm, has been asked by the Japanese Ministry of Finance to detail its trading activities in the Tokyo equity market a week ago, when the expiry for the first time of index futures contracts took the Nikkei market average rapidly through the 30,000 mark.

A MoF official was quoted as saying: "It seems they may have broken an industry self-restraint rule against large-volume trade just before the close."

Brokers said that under informal securities industry guidelines, securities houses were meant to refrain from buying on their own account in the final half-hour of a trading session.

Last Wednesday, in Japan's first experience of a "witching hour" – when futures-related activity can cause unusual volatility in underlying share prices – the Nikkei closed 381.44 higher at a record 30,050.82. Nearly 300 points of the gain came in the last 30 minutes.

Morgan Stanley officials declined to comment on their trading activities.

Index futures – a Nikkei-225 index futures contract on the Osaka Stock Exchange and a Topix futures contract on the Tokyo Stock Exchange – were introduced in September.

S&P to review Helaba rating

By Haig Simonian
in Frankfurt

HESSISCHE Landesbank (Helaba), West Germany's 11th biggest bank, which last week broke off merger talks with Westdeutsche Landesbank (WestLB), is to have the triple-A status of its debt reviewed by Standard & Poor's (S&P), the US debt-rating agency.

The decision by S&P to put Helaba on "Creditwatch" follows the plan by the Hesse state government, which owns 50 per cent of the bank, to sell its stake to the region's savings bank organisation.

Kansallis-Osake-Pankki
(incorporated with limited liability in Finland)

Yen 10,000,000,000

Subordinated Floating Rate Notes Due 1991

Notice is hereby given that for the interest period from 14th December, 1988 to 14th June, 1989, the Notes will carry an Interest Rate of 3.41882% per annum. Interest payable on the relevant Interest Payment Date, 14th June, 1989 will amount to Yen 341.882 per Yen 10,000,000 Note.

Agent Bank
Morgan Guaranty Trust Company of New York
London

HYUNDAI
ENGINEERING & CONSTRUCTION CO., LTD.
(Incorporated in The Republic of Korea with limited liability)

US$50,000,000
Floating Rate Notes Due 1993
(Redeemable at the option of Noteholders in 1989)

In accordance with the provisions of the Floating Rate Notes, notice is hereby given as follows:

Interest Period : 13th December, 1988 to 13th June, 1989 (182days).

Rate of Interest : 9⅝% per annum

Coupon Amount : US$ 489.76 (per note of US$10,000)
US$ 24,487.85
US$500,000)

Agent

LTCB Asia Limited

PLACER DOME INC.

NOTICE IS HEREBY GIVEN that a regular quarterly dividend, being Dividend No. 6 of seven and one-half cents (7½ cents) Canadian per Common Share, has been declared payable on January 13, 1989 to shareholders of record at the close of business on December 29, 1988.

Shareholders with addresses in the United States or Australia will be paid the equivalent amount in the currency of the respective country.

BY ORDER OF THE BOARD
John A. Eckersley
Secretary

December 6, 1988

Series 067

US$38,080,000
Short-term Guaranteed Notes issued in Series under a US$280,000,000 Note Purchase Facility
by
Mount Isa Mines (Coal Finance) Limited

Notice is hereby given that the above Series of Notes issued under a production Loan and Credit Agreement dated 30th March, 1988, carry an Interest Rate of 9 5/16% per annum. The Issue Date of the above Series of Notes is 15th December, 1988, and the Maturity Date will be 15th June, 1989. The Euro-clear reference number for this Series is 33638 and the CEDEL reference number is 883778.

Manufacturers Hanover Limited
Issue Agent
(a member of The Securities Association)

14th December, 1988

DECLARATION OF DIVIDENDS

The following interim dividends have been declared in South African currency, payable to members registered in the books of the companies concerned at the close of business on 30 December 1988:

Name of Company (All companies are incorporated in the Republic of South Africa)	Dividend No	Amount per share cents
Deelkraal Gold Mining Company Limited (Registration No 74/00160/06)	12	30
Doornfontein Gold Mining Company Limited (Registration No 05/24709/06)	64	10
Driefontein Consolidated Limited (Registration No 68/04880/06)	31	80
Kloof Gold Mining Company Limited (Registration No 64/04462/06)	38	60
Libanon Gold Mining Company Limited (Registration No 05/08381/06)	76	20
Venterspost Gold Mining Company Limited (Registration No 05/05632/06)	97	25

Vlakfontein Gold Mining Company Limited has not declared an interim dividend. A final dividend will be considered in the light of circumstances prevailing at the time.

Warrants payable on 8 February 1989 will be posted on or about 7 February 1989.

Standard conditions relating to the payment of dividends are obtainable at the share transfer offices and the London Office of the companies.

Requests for payment of the dividends in South African currency by members on the United Kingdom registers must be received by the companies concerned on or before 30 December 1988 in accordance with the above-mentioned conditions.

The registers of members of the above companies will be closed from 31 December 1988 to 6 January 1989 inclusive.

By order of the Boards
per pro CONSOLIDATED GOLD FIELDS PLC
London Secretaries
Mrs G M A Gledhill, Secretary

London Office:
31 Charles II Street
St James's Square
LONDON SW1Y 4AG
13 December 1988

United Kingdom Registrar:
Hill Samuel Registrars Limited
6 Greencoat Place
LONDON SW1P 1PL

MEMBERS OF THE GOLD FIELDS GROUP

SANWA AUSTRALIA LEASING LIMITED
A$100,000,000
Guaranteed Floating Rate Notes Due 1993

In accordance with the conditions of the notes, notice is hereby given that for the three-month period 9th December 1988 to 9th March 1989 (90 days) the notes will carry an interest rate of 14.7067% p.a. Relevant interest payments will be as follows:

Notes of A$100,000-A$3,626.31 per coupon.

THE SANWA BANK LIMITED
Agent Bank

Bank of Tokyo (Curaçao) Holding N.V.
U.S.$100,000,000
Guaranteed Floating Rate Notes due 1991

Payment of the principal of, and interest on, the Notes is unconditionally and irrevocably guaranteed by

The Bank of Tokyo, Ltd.
(Kabushiki Kaisha Tokyo Ginko)

In accordance with the provisions of the Agency Agreement between Bank of Tokyo (Curaçao) Holding N.V., The Bank of Tokyo Ltd., and Citibank, N.A., dated December 8, 1981, notice is hereby given that the Rate of Interest has been fixed at 9-5625% p.a. and that the interest payable on the relevant Interest Payment Date, June 14, 1989, against Coupon No. 15 will be U.S.$241-72.

December 14, 1988, London
By: Citibank, N.A. (CSSI Dept.), Agent Bank

CITIBANK

هكذا من الأصل

GOVERNMENT BONDS

Firm sales figures curb Treasuries

By Janet Bush in New York and Katharine Campbell in London

US TREASURY bonds moved modestly lower yesterday, after the release of much stronger than expected retail sales figures for November and a substantial upward revision in October's sales gain.

By midsession, bonds had slipped about ⅛ point at the short and long ends of the yield curve, while medium-dated maturities fell by as much as ⅜ point.

The yield on the Treasury's long bond stood at 8.96 per cent at midsession, while the yield on the 8.875 per cent short issue due to mature in 1990 was quoted at 9.12 per cent.

The 1.1 per cent rise in November retail sales compared with a consensus forecast of a 0.5 per cent gain. Of greatest surprise was the upward revision in October sales to a gain of 1.6 per cent, from 0.9 per cent previously reported. November's figures were strong, even without the robust car sales component.

The retail sales figures should have been bad news for bonds but the negative impact was limited partly by a desire not to run substantial short positions in view of today's October US trade report.

There is still substantial pessimism about interest rates, which keeps pressure on the short end of the yield curve.

However, the yield curve remains inverted as there is some optimism that rates will ease in the longer term.

Fed funds eased back below 8½ per cent, as seasonal pressures on demand for money subsided.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
UK GILTS		13.500	9/92	107-13	-5/32	11.03	10.87	10.33
		8.750	9/97	91-10	-7/32	10.28	10.11	9.77
		9.000	10/08	97-04	-13/32	9.32	9.19	9.08
US TREASURY*		8.875	11/98	98-04	-16/32	9.15	9.05	8.92
		9.000	11/18	100-13	-1/32	8.96	8.92	9.03
JAPAN	No 105	5.000	12/97	103.0774	-0.087	4.62	4.46	4.63
	No 2	5.700	3/07	109.1866	-0.001	4.76	4.71	4.79
GERMANY		6.750	8/98	101.1250	-0.125	6.61	6.47	6.41
FRANCE	BTAN	8.000	10/93	97.8265	-0.188	8.63	8.54	8.52
	OAT	9.500	6/98	104.5750	-0.300	8.75	8.71	8.83
CANADA*		10.250	12/98	100.7500	-0.500	10.13	10.05	10.15
NETHERLANDS		6.7500	10/98	101.3000	-0.050	6.64	6.57	6.44
AUSTRALIA		12.500	1/98	99.8023	-0.081	12.63	12.46	11.91

London closing. *denotes New York morning session
Month ago yields on US Treasury apply to the 9.250 of '98 and the 9.125 of 2018
Yields: Local market standard. Prices: US, UK in 32nds., others in decimal

Technical Data/ATLAS Price Sources

DUTCH money market traders were puzzled yesterday when, for the first time, the Dutch central bank withheld the rates when it invited bids for new five-day money market advances. Prices would come out early today, it said.

Current market rates are 5.25 per cent, with the advances expected to carry a higher interest rate.

Most traders felt the unusual action stemmed from the bank's wish not to upset bidding on the new state bond that closed yesterday evening. The issue was expected to amount to between Fl 2bn and Fl 3bn, priced between 99½ and 99.90.

MOST participants in the UK government bond market were holding their breath in advance of the US trade numbers to be announced today. In the UK gilt-edged bond market, prices dropped modestly in the afternoon in tandem with the US credit market, which was lower because of an overshoot in November retail sales.

Prices were also hit by sterling weakness, ascribed to fears of higher US and German interest rates. Two sterling issues, for Enterprise Oil and Lucas Industries, also had a broadly negative impact on gilts, as some institutions sold gilts to make way for the new paper, and others sold in a hedging operation.

A LOWER US market and extra domestic supply from the forthcoming auction depressed Canadian bonds about ¼ point yesterday morning. Traders focused on the midday five-year auction for C$650m maturing on February 1, 1994. Dealers were making sure their books were short going into the bidding as the pre-auction market had been trading the stock down to 10.29 per cent in the morning, off from 10.19 at the close on Monday.

TURNOVER in Japanese government bonds confirmed the No 111s as the benchmark, when the 4.6 per cent bonds maturing in 1998 traded in excess of Y1,000bn, against Y120bn in the No 105s. Previous benchmarks have generally stood for about a year, but the benchmark system itself may well be outmoded sooner than that if the Japanese Ministry of Finance moves to US-style quarterly refunding.

IN FRANKFURT, the Bundesbank set the tender for a new US-style 35-day repurchase agreement. The funds will be allocated today, when an earlier repo of DM6.9bn runs off.

Traders believe the central bank will replace the old facility, or maybe issue slightly less funds to the market. Bond prices were generally five basis points easier ahead of important US data today and the German central bank meeting tomorrow. A ½ point rise in the Lombard rate has been more or less discounted in the bond market.

Fixed interest indices to alter

TWO ADJUSTMENTS are to be made to the FT-Actuaries Fixed Interest indices with effect from the beginning of January.

The more important is a change in the definitions of low, medium and high coupons as applied to British Government securities.

At present, the low coupon category includes stocks with nominal interest rates up to and including 9 per cent. In future, only stocks with coupons up to 7¾ per cent will qualify.

Medium coupons are to be defined as those in the 8 to 10¾ per cent range, and high coupons will be 10¾ per cent and above. Until now, mediums have ranged up to 11¾ per cent and the high coupon category has started at 12 per cent.

These revisions reflect the changing structure of the gilt-edged market, in particular the lack of issues of high coupon long-dated stocks following the Government's move into fiscal surplus.

The FT-Actuaries Fixed Interest Committee also wishes to bring the definition of low coupons more into line with the traditional perception of gilt-edged investors, which is that they are in the 3 to 5 per cent range.

Users of the indices should be aware that there may be discontinuities at the beginning of January.

The other adjustment is to the size of issues which will be eligible for inclusion as constituents of the Debentures index. This threshold has not been changed for a number of years, although the size of a typical issue has increased substantially.

Accordingly, the minimum eligible size of issue is to be increased from £15m to £40m.

Merrill Lynch reshapes section

MERRILL LYNCH Capital Markets has reassigned business functions in its global broker/dealer division as part of a restructuring of the group, Reuter reports from New York.

Under the reorganisation, the global debt financing division will assume responsibility for US government and agencies, foreign exchange, municipal markets, international bond trading, financial futures and options, fixed-income inventory financing and debt analytics, with effect from January 1.

Province of Alberta
(Incorporated under the laws of Alberta, Canada)
US$ 500,000,000
Floating Rate Notes due 1993
Notice is hereby given that the Rate of Interest has been fixed at 9·45313% for the interest period 13th December, 1988 to 13th June, 1989.
The Interest amount payable on 13th June, 1989 will be US$ 477·91 in respect of US$ 10,000 nominal amount of the Notes, and US$ 11,947·71 in respect of US$ 250,000 nominal amount of the Notes.
Canadian Imperial Bank of Commerce
Agent Bank
9th December, 1988

IRELAND
US$300,000,000
Floating Rate Notes Due June 1998
In accordance with the provisions of the Notes, notice is hereby given that for the six months interest period from 14th December 1988 to 14th June 1989 the Notes will carry an interest rate of 9.38% per annum. Interest payable on 14th June 1989 will amount to US$474.21 per US$10,000 Note and US$11,855.28 per US$250,000 Note.
Agent Bank:
Morgan Guaranty Trust Company of New York
London

WORLD INDUSTRIAL REVIEW
The Financial Times proposes to publish this survey on:
23rd January 1989
For a full editorial synopsis and advertisement details, please contact:
Sue Mathieson
on 01-248 8000 ext 4129
FINANCIAL TIMES
EUROPE'S BUSINESS NEWSPAPER

Parc Securities Limited
£12,000,000
Secured Loan Facility
for the acquisition and refurbishment
of County Hall, Manchester
Arranged and provided by
The Sumitomo Trust & Banking Co., Ltd.
This announcement appears as a matter of record only.
October 1988

The Bear Stearns Companies Inc
(A corporation organised under the laws of the State of Delaware, USA)
U.S. $200,000,000
Floating Rate Notes due 1994
For the three month period 12th December, 1988 to 13th March, 1989 the Notes will carry an interest rate of 9⁹⁄₁₆% per annum with an interest amount of U.S. $241.72 per U.S. $10,000 Note payable on 13th March, 1989.
Bankers Trust Company, London
Agent Bank

PNC Financial Corp
U.S. $100,000,000
Floating Rate Subordinated Notes
Due 1997
In accordance with the terms and conditions of the Notes, the rate of interest for the interest period 14th December, 1988 to 14th March, 1989 has been fixed at 9½% per annum. Interest payable on 14th March, 1989 will be U.S. $237.50 per U.S. $10,000 Note.
Agent
Morgan Guaranty Trust Company of New York
London Branch

LONDON MARKET STATISTICS

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tue Dec 13 1988 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (Act at (25%))	Est. P/E Ratio (Net)	xd adj. 1988 to date	Mon Dec 12 Index No.	Fri Dec 9 Index No.	Thu Dec 8 Index No.	Year ago (approx) Index No.
1 CAPITAL GOODS (209)	755.45	+0.7	12.32	4.70	9.94	25.27	749.93	749.53	760.35	679.82
2 Building Materials (28)	986.51	+0.4	14.05	5.02	8.75	33.27	982.59	980.82	919.76	866.27
3 Contracting, Construction (39)	1418.18	+0.5	13.85	4.32	9.41	46.70	1402.52	1399.06	1420.09	1287.73
4 Electricals (10)	2240.13	+0.6	9.67	5.04	12.47	77.61	2227.15	2231.09	2270.28	1911.20
5 Electronics (30)	1721.06	+1.2	10.78	3.77	12.00	46.05	1701.43	1696.94	1690.81	1459.45
6 Mechanical Engineering (55)	397.06	+1.3	11.81	4.64	10.29	13.75	392.07	390.06	400.28	343.42
8 Metals and Metal Forming (8)	450.03	+1.0	16.79	6.42	6.79	14.31	445.45	444.25	453.01	416.79
9 Motors (16)	257.01	+0.6	13.28	5.26	8.75	9.00	254.09	256.44	260.49	240.90
10 Other Industrial Materials (23)	1284.15	—	10.40	4.05	11.37	45.45	1284.79	1291.82	1301.06	1191.99
21 CONSUMER GROUP (187)	993.64	—	10.47	4.10	11.98	29.69	993.09	997.06	1005.43	984.29
22 Brewers and Distillers (21)	1103.71	+0.2	11.53	4.04	10.83	38.86	1101.96	1117.70	1122.44	939.35
25 Food Manufacturing (21)	894.50	+0.2	10.24	4.30	12.26	27.16	893.15	895.65	900.47	887.32
26 Food Retailing (16)	1747.16	-0.1	10.34	3.96	12.72	51.41	1749.10	1732.31	1739.03	1990.65
27 Health and Household (12)	1752.11	-0.3	7.69	2.89	14.99	40.69	1758.19	1767.73	1771.06	1692.76
29 Leisure (31)	1322.04	+0.2	9.28	3.97	13.75	37.72	1319.90	1333.40	1343.47	1066.13
31 Packaging & Paper (17)	501.00	+0.2	11.13	4.49	11.17	16.19	499.92	503.08	512.03	469.62
32 Publishing & Printing (19)	3183.80	—	9.86	4.94	12.69	106.59	3184.53	3118.74	3187.96	3126.33
34 Stores (34)	664.82	+0.5	12.81	5.18	10.26	23.22	660.79	658.79	672.50	612.77
35 Textiles (16)	447.29	-0.5	15.56	6.28	7.70	19.12	449.72	451.84	447.74	575.72
40 OTHER GROUPS (92)	876.66	+0.4	11.98	4.92	10.19	28.79	872.91	877.07	880.16	801.79
41 Agencies (19)	998.69	+0.4	9.81	2.83	13.93	21.23	994.91	996.58	997.62	972.00
42 Chemicals (22)	994.65	—	12.82	5.30	9.36	41.73	994.57	996.90	1000.06	1010.97
43 Conglomerates (12)	1216.20	+0.6	12.15	5.09	9.50	54.04	1209.49	1242.25	1241.10	1069.95
45 Shipping and Transport (12)	1823.34	+0.7	12.28	5.15	10.64	62.48	1811.09	1816.29	1830.79	1659.05
47 Telephone Networks (2)	990.31	+0.2	11.86	4.74	10.96	21.88	988.74	986.68	993.95	835.50
48 Miscellaneous (25)	1163.77	+1.1	12.38	4.72	9.18	41.15	1150.90	1150.42	1150.68	1096.48
49 INDUSTRIAL GROUP (488)	923.91	+0.3	11.40	4.53	10.84	28.96	910.77	913.47	921.42	863.70
51 Oil & Gas (12)	1743.69	+0.9	10.61	6.41	12.06	76.98	1728.50	1717.13	1703.49	1631.69
59 500 SHARE INDEX (500)	984.11	+0.4	11.28	4.80	11.08	33.81	979.99	981.56	987.80	920.81
61 FINANCIAL GROUP (124)	662.73	—	—	5.37	—	26.51	662.53	665.12	670.95	604.22
62 Banks (8)	652.20	-0.3	21.74	6.65	6.17	32.18	654.46	658.06	661.09	603.78
65 Insurance (Life) (8)	908.52	-0.6	—	5.04	—	39.81	913.71	913.47	921.62	898.16
66 Insurance (Composite) (7)	511.45	+0.7	—	6.11	—	24.84	508.00	505.71	505.94	494.62
67 Insurance (Brokers) (7)	871.76	-0.4	10.04	7.42	12.44	46.87	875.32	874.61	885.97	840.37
68 Merchant Banks (11)	309.82	-0.3	—	4.84	—	10.93	310.87	313.39	315.63	311.72
69 Property (52)	1208.05	+0.7	5.80	2.84	21.73	25.65	1200.01	1208.70	1230.69	930.04
70 Other Financial (31)	342.84	-0.4	10.27	5.74	12.17	15.12	344.22	347.35	349.30	354.94
71 Investment Trusts (76)	900.58	-0.3	—	3.34	—	20.26	902.92	905.64	908.51	771.78
81 Mining Finance (2)	532.84	-2.9	11.47	3.92	9.71	15.67	548.65	553.31	554.96	436.91
91 Overseas Traders (8)	1253.44	-0.6	9.36	5.85	12.38	44.98	1260.71	1247.15	1277.88	912.85
99 ALL-SHARE INDEX (710)	984.36	+0.3	—	4.83	—	30.85	981.93	983.72	989.87	842.23

	Index No.	Day's Change	Day's High (a)	Day's Low (b)	Dec 12	Dec 9	Dec 8	Dec 7	Dec 6	Year ago
FT-SE 100 SHARE INDEX ♦	1752.6	+4.7	1763.4	1746.0	1747.9	1750.3	1757.9	1771.7	1767.4	1670.0

FIXED INTEREST

	PRICE INDICES	Tue Dec 13	Day's change %	Mon Dec 12	xd adj. today	xd adj. 1988 to date
	British Government					
1	5 years	117.74	+0.01	117.74	—	11.18
2	5-15 years	133.96	-0.15	134.43	0.27	12.26
3	Over 15 years	145.28	-0.34	145.78	—	13.86
4	Irredeemables	168.85	-0.20	169.18	—	13.62
5	All stocks	131.43	-0.12	131.73	0.14	12.20
	Index-Linked					
6	5 years	130.26	-0.02	130.29	—	1.81
7	Over 5 years	126.94	-0.15	127.32	0.18	3.26
8	All stocks	127.00	-0.14	127.35	0.16	3.13
9	Debentures & Loans	116.85	-0.02	116.88	—	11.62
10	Preference	85.94	-0.06	85.99	—	6.41

	AVERAGE GROSS REDEMPTION YIELDS		Tue Dec 13	Mon Dec 12	Year ago (approx.)
	British Government				
1	Low Coupons	5 years	10.45	10.43	8.84
2		15 years	9.61	9.56	9.65
3		25 years	9.15	9.11	9.47
4	Medium Coupons	5 years	10.83	10.81	9.50
5		15 years	9.81	9.77	9.84
6		25 years	9.33	9.30	9.66
7	High Coupons	5 years	10.98	10.96	9.57
8		15 years	9.94	9.90	9.98
9		25 years	9.38	9.34	9.72
10	Irredeemables†		8.99	8.97	9.29
	Index-Linked				
11	Inflation rate 5%	5yrs.	3.60	3.57	3.02
12	Inflation rate 5%	Over 5 yrs.	3.74	3.73	3.99
13	Inflation rate 10%	5 yrs.	2.46	2.44	3.40
14	Inflation rate 10%	Over 5 yrs.	3.50	3.57	4.06
15	Debs & Loans	5 years	11.41	11.41	10.82
16		15 years	11.13	11.13	10.86
17		25 years	10.86	10.85	10.89
18	Preference†		10.42	10.41	10.60

♦Opening index 1746.0; 10 am 1754.8; 11 am 1763.4; Noon 1759.6; 1 pm 1756.0; 2 pm 1750.8; 3 pm 1748.0; 4 pm 1752.1; 4.05 pm 1752.1
(a) 10.56am (b) 9.00am † Flat yield. Highs and lows record, base dates, values and constituent changes are published in Saturday issues. A new list of constituents is available from the Publishers, The Financial Times, Bracken House, Cannon Street, London EC4P 4BY, price 15p, by post 34p.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	1	81	29
Corporations, Dominion and Foreign Bonds	8	20	23
Industrials	426	364	792
Financial and Properties	127	144	398
Oils	24	25	56
Plantations	0	1	12
Mines	38	64	88
Others	101	49	97
Totals	725	748	1,495

LONDON RECENT ISSUES

EQUITIES

Issue Price	Amount Paid up	Latest Renunc. date	1988 High	1988 Low	Stock	Closing Price	+ or -	Net Div.	Times Cov'd	Gross Yield	P.E. Ratio
58	F.P.	-	65	58	§Apollo Metals 10p	64		R2.0	2.9	4.2	11.0
§20	F.P.	16/12	28	21	§Apollo Watch Prods. 3p	28	+½	b0.45	3.0	2.1	18.8
-	F.P.	-	74	55	BTR Warrants	59		-	-	-	-
82	F.P.	-	71	43	Betacom 10p	69		R2.6	2.0	5.0	9.3
§200	F.P.	-	210	183	§Bletchley Motor 20p	183	-2	R7.5	2.4	5.5	7.4
§135	F.P.	-	146	141	Bostrom 5p	143		R5.1	2.9	4.8	8.1
125	60p	-	63	58½	British Steel 50p	59½	+¼	R7.5	2.7	8.0	5.1
Ir.44	F.P.	-	41	41	§Capital Leasing Ir.10p	41		R013%	3.3	2.7	11.7
§70	F.P.	-	82	72	§Channel Express 10p	76		R2.1	3.0	3.7	11.0
§154	F.P.	13/1	158	144	Dawsongroup	144		R4.75	2.6	4.4	10.4
§84	F.P.	-	95	84	§EW Fact 5p	90		b3.0	2.3	4.4	9.4
155	F.P.	6/2	157	140	Fairey Group 5p	141	+1	R5.8	2.9	5.5	8.3
§85	F.P.	-	152	85	*Haemocell 1p	146		-	-	-	-
§110	F.P.	-	133	110	§Metro Radio 5p	131	+1	13.0	2.3	3.1	15.1
§100	F.P.	-	101	94	New Zealand Inv. Tst.	94		F6.0	-	8.5	-
§62	F.P.	-	68	63	Ralston Investment Tst.	65	+1	L1.5	-	2.3	-
93	F.P.	8/12	98	91	SMAC Group	91		R2.1	3.4	3.1	11.1
§66	F.P.	-	69	63	§Safeland 5p	63		R2.6	3.2	5.5	6.2

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1988 High	1988 Low	Stock	Closing Price £	+ or -
100p	F.P.	-	96p	86p	AMEC New 6½p (Net) Cm Cr Rd Pf 50p	86p	-1
100p	F.P.	-	105p	103p	§Apollo Metals 8p(Net) Cm Rd Pf 10p	103p	
100p	F.P.	-	100¼p	99p	Arlington Sec. 9½pc Cm. Rd. Pf. 2008	99p	
100p	F.P.	-	103¼p	102¼p	Bank of Scotland 9¼% Non-Cm Irred Pf	103¼p	
100.5p	F.P.	-	101p	94p	Blackwood Hodge 9pc Cm. Pf. £1	95p	
100	F.P.	-	102	100	Cable & Wireless 7pc Cv Un Ln 2008	100	-1
§100p	F.P.	-	99¼p	98½p	Church (C) Dev. 9.375pc Cm Rd Pf £1	99p	
§100p	F.P.	-	101p	99½p	Egerton Tst. 9¾pc 1st Cm Rd Pf 2013	100p	
§100p	Nil	-	¾pm	½pm	Jessups 7.3p(Net) Cv Cm Rd Pf 50p	½pm	
100p	F.P.	-	115p	102p	Lloyds Chem. 7.5p (Net) Cm Rd Pf 5p	102p	-2
100p	F.P.	-	98p	89p	Mecca Leisure Grp. 7.25p Cv Pf 20p	90p	+1
§100	F.P.	-	100½	99⅝	N'wide Anglia 12⅞pc 4.12.89	100½	+⅛
§100p	F.P.	-	96p	90p	Parkfield Grp 9pc(Net)Rd Pf '10/13-£1	92p	
§100p	F.P.	-	100p	88p	Rockware Grp 7¼pc Cv Cm Rd 2nd Pf	89p	+1
100p	F.P.	-	104p	93p	Williams Hldgs 8p (Net) Cv Rd Pf 10p	94p	

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1988 High	1988 Low	Stock	Closing Price p	+ or -
10	Nil	10/1	2pm	1pm	*Amercoeur Energy	1pm	
55	Nil	16/12	12pm	6pm	Electronic Machine 5p	6pm	-1
185	Nil	25/1	20pm	3pm	Hickson International	3pm	-2
165	Nil	13/1	80pm	65pm	§JSB Electrical 20p	70pm	
220	Nil	-	1¼pm	1¼pm	§Parkway Group	1¼pm	
100	Nil	14/12	80pm	8pm	Pavilion Leisure 10p	10pm	+2
215	Nil	13/12	21pm	2pm	Quadrant Group 10p	2¾pm	
5	Nil	10/1	10½pm	1pm	§SelecTV 1p	5½pm	-½

a Annualised dividend. b Figures based on prospectus estimates. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. g Assumed dividend and yield. s Dividend and yield exclude special payment. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on Prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1989. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ψ Issued by tender. ϕ Offered to holders of ordinary shares as a "rights". † Introduction. §Placing price. †† Reintroduction. ϕ Issued in connection with reorganisation merger or takeover. ‡ Allotment price. ∯ Unlisted securities market. ϕ Official London listing. □ Including warrants entitlement. * Third Market.

TRADITIONAL OPTIONS

- First Dealings Dec 5
- Last Dealings Dec 16
- Last Declarations Mar 9
- For settlement Mar 20

For rate indications see end of London Share Service

Calls in Kalon, Charter Cons, Pentland, BSR, Amal Finance Wellman, BSR Int, Holmes Prot, Goodman Grp, PE Int, Silentnight BET, Lonrho, Blue Arrow, Elsewick, Redland, Utd Elec Warnts, Eagle Trst, G. Wimpey. P/C Inoco.

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls Jul.	Puts Jan.	Puts Apr.	Puts Jul.
Allied Lyons (*442)	420	32	50	—	6½	12	—
	460	9	27	39	24	31	38
Brit. Airways (*158)	140	21	27	28	2	4	7
	160	6	12	15	8	11	13
Brit. & Comm. (*209)	200	16	22	—	6	9	—
	220	5	12	16	15	17	20
	240	2	5	9	34	36	36
B.P. (*253)	240	18	21	27	2¼	7¼	10
	260	5	8¼	16	10	19	21
British Steel (*60)	50	11	12¼	14½	¼	1½	3
	60	2¼	5½	7½	2¼	4¼	7¼
	70	½	2	3	10½	11	14
Bass (*765)	750	35	64	87	13	18	22
	800	10	33	57	40	42	45
Cable & Wire (*364)	360	15	32	45	9	18	23
	390	4	16	28	30	32	40
Cons. Gold (*1224)	1150	125	170	215	23	55	80
	1200	100	140	180	50	75	105
	1250	60	120	155	68	100	130
Courtaulds (*245)	220	30	38	43	2	4	8
	240	15	24	29	5	10	16
	260	6½	14	19	17	19	26
Com. Union (*327)	300	33	39	45	4	9	11
	330	9	18	28	12	22	25
G.K.N. (*295)	280	21	28	34	2½	11	13
	300	9	16	22	12	20	21
Grand Met. (*436)	420	25	33	50	6½	14	18
	454	7½	15½	—	23	32	—
I.C.I. (*983)	950	52	72	95	12	29	37
	1000	21	42	70	30	55	62
Jaguar (*259)	240	25	33	44	3½	11	14
	260	12	19½	30	9½	20	25
Land Securities (*553)	500	60	77	—	2½	10	—
	550	21	40	53	13	22	25
	600	4	17	32	50	50	53
Marks & Spencer (*143)	140	8	14	17	4	6½	8
	160	1	4½	8	18	18	20
	180	½	2	4	38	38	38
STC (*263)	260	13	21	31	8	14	14
	280	5	11	19	22	24	26
Sainsbury (*190)	180	15	21	26	3	5	9
	200	4	10	15	13	14	18
Shell Trans. (*336)	317	25	32	39	2	7	8
	333	14	21	29	6	14	18
	350	5½	12	19	16	25	25
Storehouse (*188)	180	19	26	32	14	16	21
	200	10	19	22	22	26	34
Trafalgar House (*292)	280	18	30	34	6	8	13
	300	7	18	22	14	16	22
Utd. Biscuits (*269)	260	19	30	35	6½	12	15
	280	9	19	25	16	20	23
Ultramar (*276)	260	—	—	53	—	—	24
	275	20	35	—	16	28	—
	280	—	—	45	—	—	38
Woolworth (*228)	220	17	24	28	5	9	13
	240	8	13	18	14	16	20
	260	4	8	12	33	33	35

Option		Calls Jan.	Calls Apr.	Calls Aug.	Puts Jan.	Puts Apr.	Puts Aug.
GEC (*184)	140	47	49	—	1	1	—
	160	28	30	36	1½	3	6
	180	10¼	15½	20	5	9	11

Option		Calls Jan.	Calls Apr.	Calls Jun.	Puts Jan.	Puts Apr.	Puts Jun.
Rolls-Royce (*127)	120	11	15	17	2½	5	7½
	130	3½	8½	11	7	8½	13
TSB (*106)	90	17	18	—	½	1	—
	100	8	10	13	1	3½	4
	110	2	4	7	7	7½	8½

Option		Calls Feb	Calls Apr	Calls Jul	Puts Feb	Puts Apr	Puts Jul
Ladbroke (*420)	420	23	31	40	13	14½	22
	460	7	13	21	42	43	44

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Brit Aero (*433)	420	34	44	56	14	24	30
	460	15	21	35	34	44	51
	500	6	12	22	68	75½	85
BAA (*262)	260	15	25	33½	7	9	13
	280	5	14	22	19	22	24
BAT Inds (*431)	420	29	38	48	8	17	20
	460	9½	16½	28	33	40	43
Brit. Telecom (*253)	240	18	27	33	4½	7	10
	260	7	14	19	14	16	21
Cadbury Schweppes (*325)	300	40	—	—	6	—	—
	330	21	29	39	19	27	31
	360	9½	18	26	40	48	50
Guinness (*328)	300	38	46	52	2	6	7
	330	17	24	30	12	16	17
	360	4	9	17	34	34	36
LASMO (*442)	420	48	65	80	17	29	37
	460	25	43	52	38	50	55
	500	15	25	38	66	75	80
P. & O. (*530)	500	47	57	68	5	13	17
	550	16	27	36	25	38	40
	600	5	9	16	73	78	80
Pilkington (*191)	180	18	23	—	4½	6	—
	200	8	12	14	15	16	19

Option		Calls Feb	Calls May	Calls Aug	Puts Feb	Puts May	Puts Aug
Plessey (*209)	200	18	26	31	8	11	14
	220	9	17	19	20	22	27
Prudential (*146)	140	13	16	17	4	7	7
	160	4	5	7	17	20	20
	180	1	3	—	37	37	—
Racal (*259)	240	27	36	42	4	7	13
	260	15	26	31	13	16	20
R.T.Z. (*411)	390	43	57	—	10	17	—
	420	21	38	48	22	28	33

Option		Calls Feb	Calls May	Calls Sep	Puts Feb	Puts May	Puts Sep
Vaal Reefs (*670)	70	7½	10	12	5	10	11
	80	3½	5	6½	15	16	17

Option		Calls Dec	Calls Mar	Calls Jun	Puts Dec	Puts Mar	Puts Jun
Amstrad (*153)	140	15	24	28	2	7	11
	160	2½	13	18	11	16	20
Barclays (*403)	395	12	—	—	3	—	—
	420	—	13	20	—	33	33
Blue Circle (*417)	390	28	48	—	2	8	—
	420	6	26	32	8	20	28
Dixons (*136)	130	8½	14	19	2	6	9
	140	2½	9	15	6	12	15
Glaxo (*1023)	1000	32	85	115	7	32	42
	1050	7	58	88	35	57	64
Hawker Sidd. (*511)	500	14	37	48	4	14	23
	550	1	12	20	40	42	57
Hillsdown (*233)	240	3	13	19	10	12	16
	260	1	4½	10	27	27	29
Lonrho (*342)	330	17	40	55	7	26	36
	360	6	26	41	26	44	54
Midland Bk (*402)	360	45	—	—	1	—	—
	390	16	28	37	3	13	15
	420	2	11	20	20	33	33
Sears (*109)	100	11	17½	22	1½	4½	5½
	110	4	11½	14½	5	10	12½
Trusthouse Forte (*247)	240	9	18½	28	2	11	14½
	260	1	10	19	14	23	26
Thorn EMI (*607)	600	13	43	62	7	18	25
	650	2	19	33	44	47	57
Wellcome (*401)	390	15	37	53	3½	15	18
	420	3	22	35	22	28	31

Option		Calls Dec	Calls Apr	Calls Jul	Puts Dec	Puts Apr	Puts Jul
Boots (*214)	200	14½	28	37	1	6	10
	220	2	17	23	8	13	17

Option		Calls Jan	Calls Mar	Calls Jun	Puts Jan	Puts Mar	Puts Jun
British Gas (*161)	160	3¼	6½	13	5¼	6½	7½
	180	¾	1¾	4¼	23	23	23½

Option		Calls Jan			Puts Jan		
RHM (*348)	330	30	—	—	5½	—	—
	360	12	—	—	16	—	—

Option		Calls Dec	Calls Mar	Calls Jul	Puts Dec	Puts Mar	Puts Jul
Beecham (*461)	460	7	31	45	6	17	24
	500	1½	13	25	40	41	45
Unilever (*444)	420	25	44	54	1½	7	12
	460	3	19	30	18	25	29

Option		Calls Dec	Calls Mar	Calls May	Puts Dec	Puts Mar	Puts May
BTR (*289)	280	11	24	26	2	7½	10
	300	1½	13	14½	12	17	20
Hanson (*150)	140	10	15½	18	½	2¼	3¼
	160	½	4½	7	10½	12	12½
Tesco (*131)	130	3½	10	12	3½	6	9
	140	1½	6	7	10½	12	16

Option		Calls Jan	Calls Mar		Puts Jan	Puts Mar	
Enterprise Oil (*489)	460	48	63	—	13	25	—
	500	28	43	—	35	45	—
Scot. & Newcastle (*380)	390	13	26	—	10	20	—
	420	4½	15	—	40	43	—
	460	1	7	—	77	80	—

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
Conv. 9½% 2005 (*99)	98	2	—	—	[illegible]	—	—
	100	[illegible]	—	—	1[illegible]	—	—
	102	[illegible]	—	—	2[illegible]	—	—
Tr. 12% 1995 (*105)	106	—	—	—	1¼	—	—
	110	[illegible]	—	—	—	—	—
	112	[illegible]	—	—	—	—	—

Option		Calls Dec.	Calls Jan.	Calls Mar.		Puts Dec.	Puts Jan.	Puts Mar.	
FT-SE Index (*1752)	1650	110	120	—	—	2	8½	—	—
	1700	64	77	90	103	5	18	24	31
	1750	24	42	55	68	18	31	41	47
	1800	5	20	30	43	52	60	67	75
	1850	1	8	15	24	100	100	104	105
	1900	½	3	7	13	150	150	152	152
	1950	½	1½	2½	—	200	200	202	—

December 13. Total Contracts 32,157 Calls 17,721 Puts 14,436
FT-SE Index Calls 2359 Puts 5469
*Underlying security price.

UK COMPANY NEWS

Granada turns in 29% expansion to £143.2m

By Nikki Tait

GRANADA, the TV, leisure and business services group, yesterday announced a 29 per cent rise in pre-tax profits to £143.2m for the year to October 1. Sales were £1.47bn.

The figures, in line with City expectations, compared with the £111m made in 1986-87 on sales of £1.02bn, but took in a nine-month contribution from the Electronic Rentals businesses acquired for £250m, and four months from DPCE, the computer services company, bought for £110m.

Granada declined to break out the net effect of these acquisitions, saying that both had now been fully integrated.

However, at the earnings per share level, after a reduction in the tax charge from 38 to 36 per cent, the fully-diluted figure was up by 11 per cent, from 25.3p to 28.1p. The total dividend is raised 14 per cent to 11.2p, with a final of 7.2p.

The pre-tax figure also came after interest charges of £25.3m (£11.9m), reflecting increased debt levels following the acquisitions. By the year-end, Granada said that gearing was 63 per cent (23 per cent), with interest cover of 6.7 times.

Yesterday, however, Granada announced that property company, Barranquilla Investments, in which it had a 67.75 per cent interest, with the Pearl holding a further 25 per cent, was likely to be sold. Granada had already bought out the two properties it uses – in London's Golden Square and the Granada TV studios – from Barranquilla for an undisclosed figure, believed to be under £10m.

While declining to speculate on the amount which the sale might raise, Granada said that remaining properties within Barranquilla have a "conservative" book value of £104m.

In operating profit terms, Granada's 1988 figure was up 37 per cent to £170.5m. The largest of its four divisions is rental and retail, where pre-interest profits advanced from £62.1m to £87.8m, helped by ERG. Granada conceded that the retail market remained highly competitive.

However, the rental market was stronger than expected – Granada estimated that the annual rate of decline dropped from 4-5 per cent to only perhaps 2 per cent – and prospects on both fronts were enhanced by new goods coming on stream.

On the TV side, profits were up from £20.8m to £30m, with industry advertising revenue up by 11 per cent and Granada claiming a small increase in market share. Staffing was reduced by some 13 per cent over the year. On the leisure front, operating profits rose 21 per cent to £30.4m. This included a strong performance from the motorway business – the number of lodges was now planned to double by end-1989 and the number of service areas to increase by 50 per cent – but saw problems for certain specialist holiday interests. Business services contributed in £13.8m (£7.8m).

Below the line, there was an extraordinary £11m surplus – the profits on the sale of Novello and Canal Plus, offset by the loss on the Superchannel disposal.

See Lex

Peel asked to withdraw part of L'dn Shop attack

By Vanessa Houlder

THE TAKEOVER Panel has asked Peel Holdings, which is bidding £282m for its fellow property company London Shop, to withdraw certain comparisons used in an attack on its target's record.

Peel's offer document used market indicators published by Hillier Parker to conclude that London Shop's rental income and net asset value showed below-average growth. London Shop argued that those indicators were inappropriate due to its five yearly rent review pattern.

This move follows the Panel's request that London Shop should clarify its statement that it was the only property company with three quarters of its portfolio invested in the retail sector. London Shop said the statement only referred to companies with a market capitalisation of over £100m.

Gateway in 23% interim rise to £78m

By Christopher Parkes, Consumer Industries Editor

GATEWAY, Britain's third largest and most harassed food retailer, yesterday reported a 23 per cent rise in interim pre-tax profits from £63.6m to £78m.

Sales for the half year were down £161m at £2.46bn, following the disposal of Linfood in the UK and Digsa in Spain, but turnover from the continuing operations, all of which are now retailing, increased 5 per cent to £2.2bn (£2.09bn).

Retail trading profits increased 28 per cent from £66.3m to £84.6m, and trading margins at the Gateway food chain picked up from 3.74 per cent to 4.37 per cent on like-for-like sales growth of 3.1 per cent.

However, there are indications of slowing volume growth in the second half. Although Christmas may help, Gateway has yet to build itself a consumer franchise of the breadth and quality enjoyed by the other majors

A better sales mix, with more high-margin fresh, frozen and chilled products on offer, helped improve performance in the superstores, but the 500-plus standard food markets have yet to benefit to the same extent.

Mr Alan Perelman, finance director, said the group was on target with both physical and profits development.

Mr Alec Monk, chairman, said at the time of the acquisition of Fine Fare in June 1986 that it would take three years to reshape the business.

Apart from fighting off a bid from Barker & Dobson in the interim, the group has recently had severe management difficulties. However, the appointment of Mr Louis Sherwood, president of the A&P US supermarket chain, to run Gateway, is seen as a positive coup. The appointment takes official effect today.

Hermans, the US sporting goods chain, lost $6m in the first half, despite having resolved its distribution difficulties and increasing like-for-like sales by 5 per cent in an overall retail market showing average growth of 2 per cent. Turnover rose 14 per cent to $320m.

The peak sales period for ski equipment is only starting. New store openings accounted for most of the turnover growth, and the board said yesterday that the loss reflected the number of immature outlets and costs of heavy promotion.

Wellworth, the Northern Ireland food business, performed well, with trading profits up 50 per cent at £7.2m, on sales of £85.7m, up 15 per cent.

Group pre-tax profits included property profits of £800,000 compared with £300,000. Interest charges rose from £7.2m to £8.9m.

Earnings per share rose 1p to 6.2p, and the interim dividend was increased by 17 per cent to 3.5p (3p).

See Lex

Vodafone helps Racal Telecom treble profits

By Hugo Dixon

ACCELERATING growth in the number of cellular subscribers enabled Racal Telecom to treble pre-tax profits to £30.6m in the 28 weeks to October 14 against a previous £10.1m. Turnover grew 85 per cent to £113m.

These were the first results reported by Racal Telecom, since its parent, Racal Electronics, sold 20 per cent of its shareholding in an offer-for-sale in October. However, none of the profit will accrue to Racal Telecom's new shareholders, because they did not own it during the period.

The company said that performance for the half year was slightly ahead of projections made at the time of the flotation. This would seem to imply that the original forecast of pre-tax profits of £78.5m for the full year will be exceeded.

Profit after tax was £21.7m (£11m), giving earnings per share of 2.17p (0.7p). The company reiterated its intention to pay a final dividend of 0.7p.

Racal Telecom refused to give any break-down of the profit between its constituent companies, except to say that the bulk was accounted for by Vodafone, its cellular operator. Vodafone is increasing its subscribers by 3,000 a week and customers are continuing to spend more money on value-added services.

Racal Telecom's share price closed up 2.5p at 161.5p, 8.5p below the flotation price.

Option allowed to lapse on 7.8% of Mountleigh

By Paul Cheeseright, Property Correspondent

THE PROSPECT of a further unsettled period for shares in Mountleigh, property trading and development group, emerged yesterday when it was disclosed that an option to buy 7.8 per cent of the equity had been allowed to lapse.

The option had been given by Newcombe Investments to Galerias Consortium. Newcombe Investments was set up by Organizacion Diego Cisneros to hold a block of 16.66m Mountleigh shares provided as part of the payment when Mountleigh bought Galerias Preciados, the Spanish department store chain, from ODC in late 1987.

Galerias Consortium was established by SASEA Holding Group of Geneva and Tranwood Earl, London merchant bank, to bid for Mountleigh International, the most significant asset of which is the Spanish stores chain. It retains 13.9 per cent stake of Mountleigh.

The option was arranged last month. The failure to exercise it, for reasons which Tranwood Earl would not explain yesterday evening, means that a significant block of shares apparently looking for a buyer is overhanging the market.

The decision of the Galerias Consortium not to exercise its option came too late to affect trading yesterday. Mountleigh's share price rose 5½p to 164½p in an active market.

The rise reflected an announcement that Mountleigh had sold its 10 per cent stake in Wembley, the sports stadium proprietor, for £11.25m. This ends any lingering merger speculation. The stake consisted of 7.28m ordinary shares and 1.6m deferred convertible non-voting shares.

The shares passed to Capital Development, a Swiss investment company and biggest member of the consortium put together four years ago to buy Wembley.

Capital Development subsequently sold on 2.7m Wembley ordinary shares, leaving it with 14.3 per cent in ordinaries and 30.3 per cent in non-voting shares.

Postal dispute setback for Fine Art

By Clare Pearson

FINE ART Developments, gifts concern, yesterday became the latest company to announce it had fallen victim to September's postal strike as it unveiled interim pre-tax profits £657,000 lower at £2.79m.

Mr Keith Chapman, chairman, said the dispute had virtually wiped out sales on the mail order side, which has annual turnover of about £110m, during the last month of the reporting period. Profits for the six months to end-September were also affected by higher interest charges.

The hiccough has not discouraged the company from embarking on an expansion of its mail order business through a joint venture, unveiled yesterday, with Otto Versand of Hamburg.

Fine Art is hoping to become a major force in mainstream home shopping through the scheme, which is to set up a new 40 per cent owned company to channel a wide range of products through its existing network. As part of the arrangement Fine Art has issued 3.7m new shares to Otto Versand for cash, at 216p each.

On the postal strike, Fine Art said delay of orders in many case meant they were lost. Additionally, it believed many customers had not made use of the telephone ordering system because they assumed the company would not be able to deliver, even though it actually had arrangements outside the postal system in place.

But increased sales in other areas, especially greetings cards, meant group sales rose to £82.71m (£75.48m).

Earnings per share were 2.51p (3.03p). The interim dividend is set at 2p (1.8p).

Border TV up 20% to £0.49m

For the half year ended October 31 Border Television, USM-quoted TV programme contractor based in Carlisle, achieved a 20% rise in pre-tax profits from £404,000 to £485,000.

Turnover was £6.46m (£6m) with advertising ahead 8.3 per cent to £5.03m and programme sales 5.2 per cent up at £1.19m.

The interim dividend is raised to 0.8p (0.65p). Earnings, after tax of £184,000 (£146,000) worked through at 2.97p (2.55p) per 10p share.

Directors said that while a revision of network arrangements had meant increased costs they were confident of satisfactory results for the year.

Aberdeen Steak

Aberdeen Steak Houses Group, USM-quoted restaurant company, reported pre-tax profits of £402,000 (£177,000) on turnover of £5.75m (£5.05m) for the six months to June 30. An interim dividend of 0.75p (nil) is to be paid on earnings per share of 1.8p (0.7p).

Creighton Labs

Creighton Laboratories, USM-quoted natural beauty products manufacturer, advanced pre-tax profits from £341,000 to £746,000 in the six months to end-September. Turnover £4.51m (£2.67m). The interim dividend 1.6p (1.4p).

Eurocopy advances 32% to £3.4m

Eurocopy, supplier of photocopy and facsimile equipment reported annual profits before tax and exceptional items up 32 per cent from £2.57m to £3.41m. At the time of its stock market launch in June the company forecast profits of at least £3.2m. Exceptional debits last time were £1.71m.

Turnover in the year to September 30 advanced to £11.51m (£8.85m). The dividend is 0.6p for the year on earnings per 5p share of 6.22p (1.41p).

Midway boost for Ford Sellar

Reflecting high quality developments and a healthy increase in rental income, Ford Sellar Morris Properties turned in a profit of £6.84m in the half year ended October 31 1988.

In the 15 months ended April 30 1988, the USM-quoted company made £3.5m on turnover of £16.85m. Earnings were 10.49p (8.42p) and the interim dividend is 1.5p (1p).

There was also an extraordinary profit of £2.8m, mainly on the sale of the Review Menswear business. Turnover was £32m.

Development profits represented 61 per cent of operating profit, with investment income, including interest receivable, contributing over 22 per cent.

Insider trading in Gold Fields 'not proved'

The Johannesburg Stock Exchange says it can find no evidence of insider trading in the shares of Consolidated Gold Fields ahead of the takeover bid by Minorco. However the exchange has turned over returns from brokers to the Registrar of Companies as insider trading, defined fairly narrowly, is illegal in terms of South Africa's Companies Act but does not fall under the jurisdiction of the JSE.

Insider trading is frequently alleged in Johannesburg, but local analysts say they cannot remember when an investigation by the JSE proved any irregularities.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether the dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetables.

TODAY

Interims- Authority Invs, British Building & Eng Appliances, Caffyns, Charter Cons, ERF, Eve, Fuller Smith & Turner, Haims, M&G 2nd Dual Trust, Microlec, Midsummer Leisure, Moorgate Inv Trust, Polly Peck Int, Property Trust.

Finals- Anglo Transvaal Trustees, Baggeridge Brick, Chemring, Doctus, Huskyns, United Scientific, Yorkshire TV.

FUTURE DATES

Interims-	
ASDA	Jan 16
Bellways	Dec 21
Ellis & Everard	Jan 9
Knobs & Knockers	Jan 18
LIT	Jan 26
Markheath Securities	Jan 12
Neepsend	Jan 26
Nobo	Jan 12
Optical & Medical Intl	Jan 27
Sextile	Jan 5
Stanley Leisure	Jan 19
VSEL Consortium	Jan 18
YRM	Feb 2
Finals-	
Abbey Panels	Jan 4
Bullough	Feb 7
Knight	Dec 19

DIVIDENDS ANNOUNCED

		Current payment	Date of payment	Corres-ponding dividend	Total for year	Total last year
Aberdeen Steak §.....	int	0.75‡	—	nil	—	1.5
Airtours	fin	4.9	Feb 8	2.7	6.25	2.7
Allen Hume	int	nil	-	1.5	-	2.5
Archimedes Inv	fin	8.75	-	7.5	14.55	13
Border §	int	0.8	-	0.65	-	1.7
Brooksmount §	int	2.25	Feb 2	1.75	-	5.25
BSS Group	int	5	-	4	-	12
Chapman Inds	int	nil	-	2.6	-	10
Creighton Labs §	int	1.6	Feb 19	1.4	-	5.4
Devenish (JA)	fin	2.8	Feb 14	2.25	3.55†	3
English China	fin	11.7☆	Feb 15	9.5	17.5	14.5
Eurocopy	fin	0.6	-	0.57	0.6	0.57
Fine Art Devs	int	2	—	1.8	—	6.8
Ford Sellar §	int	1.5	Feb 17	1	-	2.5
Gateway Corp	int	3.5	Feb 28	3	-	8.5
Granada	fin	7.2	Apr 3	6.3	11.2	9.8
Kleen-e-ze	fin	6	Apr 6	5	12★	6
Lister & Co	int	1	-	1	-	4
McCarthy & Stone	fin	4	Feb 24	3.15	5.14	4.1
Norton Opax	fin	3.5	Apr 5	2	5	8☆
Plysu	int	0.8	-	0.65	-	2.3
Racal Elect	int	1.465†	Mar 6	1.085	-	4.455
Tilon §	fin	1.75	Feb 1	-	2.6	-
Vaux Group	fin	10.93	-	9.5	16.33	14.2
Wardell Roberts§	int	1♦	-	0.9	-	2.3

Dividends shown pence per share net except where otherwise stated. *Equivalent after allowing for scrip issue. †On capital increased by rights and/or acquisition issues. §USM stock. §§Unquoted stock. ♦Third market. ‡For 18 months. ☆Carries scrip option. ♦Irish currency. ★For 17 months. ‡Announced Nov 29.

INTERIM RESULTS

THE GATEWAY CORPORATION PLC

INTERIM RESULTS (unaudited)	28 weeks to 12/11/88 £ million	28 weeks to 7/11/87 £ million
Turnover (excluding VAT)		
Continuing activities	2,204.0	2,092.6
Discontinued activities	251.1	523.2
	2,455.1	2,615.8
Trading profit		
Continuing activities	84.6	66.3
Discontinued activities	2.3	4.5
	86.9	70.8
Interest payable	(8.9)	(7.2)
Pre-tax profit	78.0	63.6
Taxation	(23.0)	(17.9)
Profit after tax	55.0	45.7
Extraordinary items	66.5	—
Profit for the period	121.5	45.7
Dividend per share	3.5p	3.0p
Earnings per share	6.2p	5.2p

HIGHLIGHTS

▲ Profits before tax increased by 22.6% from £63.6 million to £78.0 million including property profits of £0.8 million (1987 : £0.3 million).

▲ Trading profits from retailing activities that are now the sole continuing activities of the Group increased by 27.6% from £66.3 million to £84.6 million.

▲ Trading margins at Gateway improved strongly from 3.74% to 4.37% on like for like sales growth of 3.1%, and from 6.45% to 8.40% on like for like sales growth of 8.5% at Wellworth.

▲ Earnings per share increased by 19.2% from 5.2p to 6.2p per share after a slightly higher tax charge.

▲ Interim dividend increased by 16.7% from 3.0p to 3.5p per share.

Mr Alec Monk, Chairman and Chief Executive, said:

"Strong margins have more than offset the low like for like growth in sales which has affected the major UK food retailers. The substantial restructuring of Gateway Foodmarkets continues apace and the refurbishment of the Fine Fare stores is expected to be completed within the original timetable. The Group is now concentrated on retailing where it has a leading position in each of its major markets. We expect a stronger second half as a result of the normal seasonal factors benefiting all our businesses."

Copies of the full Interim Statement may be obtained from The Secretary, The Gateway Corporation PLC, Silbury Court, 418 Silbury Boulevard, Milton Keynes MK9 2NB.

EUROMONEY

Euromoney Publications came through a hard year in international markets with turnover, profits and dividends the best yet.

The reputation and profits of *Euromoney*, our flagship magazine, have never been higher. Our 10 specialist magazines prospered.

The book business published 24 titles and directories. Its success in a difficult year was most creditable.

We held 10 major conferences and 41 seminars around the world. This division enjoyed a record year with profits substantially higher than the year before.

Our five databases, and the Capital Markets Guide, combined to make record profits. We are preparing new databases.

The Euromoney Institute of Finance, our education business, held 14 training programmes worldwide and plans 30 programmes this year.

In September, we launched LatinFinance, a new magazine, to cover Latin America, particularly the newer market in debt and debt/equity swaps. It has made an encouraging start.

We have £16 million in cash and continue to look for acquisitions. Our staff has done well in testing times and we hope for another good year.

The Year's Highlights

Turnover	£28.4 million	up 9%
Operating Profit	£5,286,263	up 7%
Profits before tax	£6,654,758	up 2%
Earnings	21.4p a share	up 0.7p
Total Dividends	14p a share	up 0.25p

The above figures have been extracted from the audited consolidated accounts of Euromoney Publications PLC for the year ended 30th September 1988, on which the auditors have issued an unqualified audit opinion. The full report and accounts will be filed with the Registrar of Companies in due course and can be obtained from the Company Secretary, Paul Hewitt, Nestor House, Playhouse Yard, London EC4V 5EX.

The contents of this advertisement, for which the Directors of Euromoney Publications PLC are solely responsible, have been approved for the purposes of Section 57 of the Financial Services Act 1986 by Ernst & Whinney, a firm authorised by the Institute of Chartered Accountants in England and Wales to carry on investment business. The rules of the Securities and Investment Board require a statement that past performance is not necessarily a guide to the future.

EUROMONEY PUBLICATIONS PLC

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UK COMPANY NEWS

Counter offer expected for Thomson T-Line

By Ray Bashford

THOMSON T-LINE is expecting a counter offer to the £165m bid made on Monday by Ladbroke Group, the hotels, property, betting and retail concern.

Mr Hugo Biermann, Thomson T-Line's joint chairman, said the company had yesterday been in "regular contact" with a potential bidder, but declined to disclose the identity.

The industrial holding company, whose principal asset and attraction is the Vernons football pools group, yesterday rejected the Ladbroke offer of 80p cash a share with a loan note alternative.

The board said the offer was "unwelcome" and that it did not reflect the substantial potential of Vernons pools. Shareholders were advised to take no action.

The second potential bidder is expected to make an offer by the end of the week, according to Mr Biermann.

Shares of Thomson T-line have been under severe pressure since the announcement early last month of an agreed bid for Suter, the industrial holding company headed by Mr David Abell.

The stock market pulled Thomson T-Line shares to a low for the year late last week as concern grew about the £100m convertible preference share issue which would partially finance the Suter deal. But yesterday it was clearly expecting a higher offer and pushed the shares well passed the Ladbroke bid to close up 13p at 90p.

Suter shares have also suffered amid the uncertainty and closed yesterday down 11p to 187p.

Mr Cyril Stein, chairman and managing director of Ladbroke, has announced the intention to dispose of most of Thomson T-Line's other interests and draw Vernons into its betting operations.

Vernons is the second biggest UK pools operator with a 21 per cent slice of the market, compared with Littlewood's 77 per cent share.

Inoco shares rise to 40p on reports of bid approach

By Clay Harris

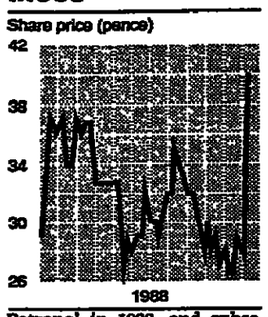
SHARES IN Inoco yesterday rose 4p to 40p, a post-crash high, after the oil company turned property investment vehicle reported an approach which could lead to a full takeover bid.

The suitor was not named, but it is not Mr David Rowland, the entrepreneur who injected his property interests into Inoco in May and now controls 48.8 per cent of its shares.

Inoco's main assets at present are investment properties with a book value of £55m. This compares with the company's £51.6m market capitalisation at yesterday's closing price. It has net debt of about £13m.

Inoco was originally created to take over a US company owning oil and gas interests in Colombia and the US. It withdrew a £12m all-paper bid for Petranol in 1986, and subsequently sold oil interests apart from equity investments.

All it retains now in that sector is 1m shares in Firstland Oil and Gas, an investment worth about £200,000.



Chelsfield in £12.5m deal

By Nikki Tait

CHELSFIELD, the private property company headed by Mr Elliott Bernerd, is buying out the 40 per cent equity interest held by Benlox Holdings in Wentworth Group – the joint venture vehicle which owns the Wentworth Golf Club in Virginia Water – for £12.5m.

Benlox invested £2.5m for its 40 per cent interest in September. Chelsfield subscribed for the remaining 60 per cent, and also for £17.75m of unsecured redeemable loan notes. Wentworth was bought by the two companies from AMEC, the construction group, for £17.7m, plus £500,000 for an option over a further 55 acres of additional land.

Yesterday, Benlox – originally a small construction and industrial company which sprang to fame through an abortive "demerger" bid for the Storehouse retail group last year – announced that property specialist Mr Paul Bloomfield, who has been associated with Mountleigh in recent years, has been appointed a non-executive director. He will be acting as a consultant. Mr Charles Chevasco is also joining from Bovis International as an executive director.

Benlox has seen a number of board changes since the Storehouse episode.

Telfos takes 19% of Hicking

By Fiona Thompson

Telfos Holdings, the diversified engineering group, has acquired a 18.96 per cent stake in Hicking Pentecost, the Nottingham-based knitwear manufacturer and dyer.

Mr Jo Malins, chief executive of Telfos, yesterday said the Hicking stake was an extremely good investment, but refused to rule out the possibility of a bid.

ANI's £138m bid wins support of Aurora board

By Ray Bashford

AURORA, yesterday recommended acceptance of the takeover bid from Australian National Industries which values the Sheffield-based engineering group at £138.1m.

The Aurora board's decision following the announcement by ANI, Australia's biggest engineering company, to declare its offer unconditional after pushing its holding to 59.4 per cent.

ANI launched its 148.5p cash per share offer with a loan note alternative early last month. It was rejected by Aurora on the grounds that it did not reflect the company's present or future worth.

Aurora was left with little room to play with in its defence as ANI held a 42 per cent stake when the bid was announced, after capturing the 19 per cent held by Electra, the second largest shareholder.

M & G and Investors in Industy, the other two major shareholders, are expected to accept the offer for the shares which collectively represent some 22 per cent of the capital.

The institutions are holding handsome profits on their investments as they acquired the shares for 10p when the company was reconstruction in 1983.

ANI said the acquisition would form a springboard for expansion in Britain and continental Europe to help overcome the limits to growth present in the relatively small Australian market.

Banner increases stake in Avdel to over 43%

By Nikki Tait

WITH THE fate of UK fasteners group, Avdel, still hanging in the balance, its unwanted bidder, Banner Industries, announced that it had acquired a further 50,000 shares taking its direct interest in Avdel to 43.17 per cent.

Avdel, however, said that Friends Provident, the UK life office, had withdrawn its bid acceptance in respect of 1.75m 10 per cent cumulative redeemable preference shares. These shares represent 1.32 per cent of the votes. At the last closing date, Banner claimed acceptances in respect of just over 4 per cent of Avdel's shares. This was in addition to the shares it either owned directly or (at the time) held under option.

On Monday, Banner raised its hostile offer from 80p a share to 88p, and launched a market raid. However, this was interrupted by Avdel's statement that it was having discussions with another potential bidder. Yesterday, Banner said it was not its intention to accept another offer, and reiterated its request for clarification of Avdel's announcement.

Melton Medes lifts stake in Syphon to over 22%

By Clare Pearson

MELTON Medes, the private industrial group headed by Mr Nathu Ram Puri, has pushed its stake in British Syphon Industries to over 22 per cent, partly by buying the holding of Mr Michael Kent, head of Olives Paper Mill.

Both Mr Puri and Mr Kent have opposed the management's £49.9m offer for Syphon, announced at the end of last month.

Mr James Philpotts, Melton Medes' chief executive, yesterday said it had bought Mr Kent's entire 4 per cent holding, held through Olive Holding and Kent Holding. Together with purchases in the market, this had pushed Medes' stake from 14.3 per cent a week ago to 22.36 per cent by Monday night.

George Wimpey moves into US quarrying

By David Waller

GEORGE WIMPEY, construction and housebuilding group, has taken its first significant step into the US quarrying business with the $50m acquisition of the Orange Quarry Company and its main operating subsidiary, Tri-County Asphalt Corporation.

Of group turnover of £1.4bn last year, nearly £200m came from the US. Of this, almost all came from housebuilding and the company's exposure to the quarry sector was limited to a small presence in Maryland.

MAI buys Spanish stake

By David Lascelles

MAI, UK financial services and media group, has bought a 30 per cent stake in Spain's largest money and securities broker, Corretaje e Informacion Monetaria y de Divisas.

The cost is £3.65m, which could rise over the next three years to £7.3m if CIMD raises its profits.

The Spanish group was founded in 1984 and has 75 traders. It provides services in all the major money broking products, and is a dealer broker in the Spanish government debt market.

Mr Charles Gregson, MAI's deputy managing director, said the acquisition was a further step towards MAI's goal of expanding its network to all major European financial centres.

20 YEARS OF PROFIT GROWTH

- Vaux Group pre-tax profits up 21% to £26.2m.
- Final dividend increased by 15% to 10.3p.
- Our two hotels at Waltham Abbey and Peterborough have been completed on time and within budget. In 1989 we shall start development on a further 2 new hotels at Birmingham and Bristol.
- We are now operating 5 new nursing homes and are building 4 more – we believe this will be an area for further major expansion.
- The brewing division launched a new low alcohol beer – Maxim Light. We have strengthened our lager brands by introducing Labatts alongside Tuborg. A new brewhouse has been installed.

Copies of the Report and Accounts will be available after 13th December 1988 from The Secretary, Vaux Group plc, The Brewery, Sunderland SR1 3AN.

VAUX GROUP · FOUNDED 1808 ·

VAUX GROUP plc.

McEWAN'S EXPORT

THISTLE HOTELS

BECKS

NEWCASTLE BROWN ALE

THEAKSTON

HOME BREWERY

Matthew Brown

YOUNGER'S TARTAN

★ **Strength in brands.** Significant growth particularly in the lager market with McEwans Lager and Becks Bier.

★ **Strength in brewing.** Scottish & Newcastle has been described as the most efficient brewer & packager of beer. Over the last 5 years we have improved operating margins from 10.7% to 14.5%.

★ **Strength in hotels.** Another good performance from Thistle Hotels with operating profits up 46% per annum compound over the last 5 financial years.

★ **Strength from acquisitions.** A strong contribution from Home Brewery. Matthew Brown integration on course and Pontins showing great earnings potential.

Scottish & Newcastle is a company with strength all round. All of our operations, we can proudly state, are moving forward....

FROM STRENGTH TO STRENGTH.

Financial Highlights

	26 weeks to 30.10.88	26 weeks to 1.11.87	Year on Year increase
Turnover (£m)	510.2	429.3	19%
Operating Profit (£m)	80.8	62.8	29%
Pre-tax Profit (£m)	72.0	57.3	26%
Earnings per share	12.9p	11.4p	13%
Dividend per share	3.1p	2.7p	15%

Pre-tax Profit up by 26%

Interim Dividend up by 15%

KESTREL PILSNER LAGER

SCOTTISH & NEWCASTLE BREWERIES plc

This announcement appears as matter of record only

CAMP

S.A. CAMP y su Grupo de Empresas

Pesetas 6,000,000,000

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The Chase Manhattan Bank, N.A.
–Sucursal en España–

November 1988

CHASE

LIT HOLDINGS PLC
LIT Holdings LC

We are pleased
to announce that

BAILEY / SHATKIN

have changed their name

to

LIT EUROPE
LIT Holdings LC

International House, 1 St. Katharine's Way, London E1 9UN.
Tel: 01-481 1712. Fax: 01-488 4791. Tlx: 886583 LIT EUR G.

EUROMONEY PUBLICATIONS PLC

Notice is hereby given that the annual general meeting of the company will be held in the Board Room, New Carmelite House, Carmelite Street, London EC4 on Wednesday 11th January 1989 at 11 a.m. for the following purposes:

1. To receive reports of the directors and the auditors and the accounts for the year ended 30th September 1988.
2. To approve a final dividend for the year ended 30th September 1988 of 9p on each of the ordinary shares of 1p each then in issue.
3. To re-elect C J F Sinclair as a director.
4. To re-appoint Ernst & Whinney as auditors of the company and to authorise the directors to fix their remuneration.

By order of the board
P Hewitt
Secretary
9th December 1988

Notes

1. Holders of international depositary receipts (IDRs) in respect of ordinary shares in the company may give directions in writing as to the voting of such ordinary shares on application to Banque Internationale a Luxembourg SA (BIL) of 2 Boulevard Royal 2953, Luxembourg, attention Securities Department, and by depositing their IDRs with BIL or any of the agents mentioned on the IDRs. Such instructions must be received by BIL and such deposits must be made not later than 11 a.m. on Wednesday, 4th January 1989.
2. It is proposed to pay the final dividend, if approved, on 13th January 1989 to shareholders registered on 9th December 1988.
3. Holders of IDRs can receive their dividend, if approved, from 13th January 1989, by presentation of coupon number 3 to BIL or one of the agents.

UK COMPANY NEWS

ECC shows 30% growth to £145m

By Clare Pearson

ENGLISH CHINA Clays, industrial minerals and construction group, yesterday reported a 30 per cent increase in pre-tax profits to £145.4m in the year to September 30.

Sir Alan Dalton, speaking for the last time as chairman, said: "Our markets were lively in practically all departments, and the divisions are currently all in good heart." Sir Alan is stepping down as chairman to be succeeded by Lord Chilver.

The pre-tax rise came on turnover up from £762.5m to £936.9m. The use of average, rather than year-end, exchange rates benefited profits by about £600,000. A change in accounting for depreciation increased this charge by £2.3m.

On earnings per share 26 per cent higher at 43.82p (34.88p), the final dividend is raised to 11.7p, making 23.2p (16p) for the year.

In the international division, comprising china clays, calcium carbonates and other industrial minerals, sales were boosted by demand from the lightweight coated sector of the paper industry. Profits rose to £81.9m (£69.3m) on turnover of £488.2m (£421.1m). In June, ECC added to its US calcium carbonate interests with the £40m purchase of that division of Cyprus Minerals.

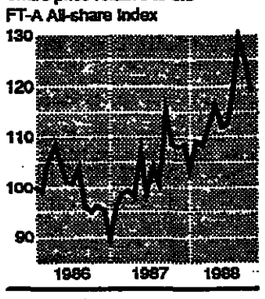
On turnover of £81.2m (£62.6m), construction contributed profits of £37.9m (£16.3m) with the stake in Bryant Group, housebuilder, accounting for £14.7m (£3.6m). Quarries put in £41.4m (£32.4m), with J L Shiely, US construction aggregates concern bought in January, providing £1m; turnover was £320m (£242.3m).

Mainly due to troubles in the oil sector, but not helped by Hurricane Gilbert, the drilling fluids division moved into loss to the tune of £100,000, against a profit of £1.3m. This was despite an increase in turnover to £47.5m (£36.5m).

The net interest charge rose to £10.8m (£5.8m), reflecting an increase in gearing from 16 to 38 per cent at the period-end. Investment in expansion and modernisation rose to £100m, from £76m in 1987, whilst some £86m was spent on acquisitions.

English China Clays

Share price relative to the FT-A All-share Index



● **COMMENT**

Another set of pleasing results from ECC; and it looks as if a thoroughly decent year, with pre-tax profits showing around a 15 per cent rise, lies ahead. Clearly, last year's exceptional strength in construction is unlikely to be repeated: this has already been foreshadowed by Bryant while ECC says its own housebuilding is experiencing a margin squeeze. But with demand for clay for production of various kinds of fine paper remaining strong, ECC will be further benefiting from capacity increases and should be niftier about introducing price increases: hesitation last year, because of concerns about the dollar, meant the rise of 4.5 per cent came rather later than usual. Quarrying will also enjoy capacity increases, although Shiely, which disappointed last year, is an imponderable factor. Despite Sir Ron Brierley's 5 per cent stake, bid speculation has faded away recently. On trading grounds, a prospective p/e comfortably under 9 looks perfectly reasonable.

Shaftesbury acquisition lifts assets by 50%

By Paul Cheeseright, Property Correspondent

SHAFTESBURY, the property company which obtained a listing just before the equity market crash of October 1987, is financing an acquisition, which increases its net assets by more than 50 per cent, through a share placing.

It is buying Celus Properties (1984), a family company owning four properties north of Oxford Street in central London, for £18.35m.

Over £17m of the purchase price will be met by the sale of 9.64m shares at 180p each, a 5p discount on the market price just before the announcement. The shares have been placed with institutions. Existing shareholders were given the right to subscribe on the basis of one new share for every 1.522348 shares held.

But 75 per cent of Shaftesbury's equity is held by the Levy family which will not take up its entitlement. The effect is to reduce the family's stake to just over 50 per cent.

At the end of the year to September 1988 Shaftesbury had pro forma net assets of £32m. Mr Jonathan Lane, managing director, said adjusted net assets now came to £50m.

The acquisition represents a significant increase in Shaftesbury's central London portfolio. Two properties, a single-tenanted and a multi-tenanted office building, each of more than 25,000 sq ft, account for 90 per cent of the £18.1m value put on the Celus portfolio.

Shaftesbury bought the portfolio for investment and is seeking further growth as an investment and asset management company, as opposed to being a property development and trading company.

Plysu aims for expansion after rise to £3.65m

Plysu, maker of plastic containers and housewares, lifted turnover from £24.35m to £28.59m and pre-tax profit from £3.25m to £3.65m in the 28 weeks ended October 8 1988.

Earnings for the period came to 5.9p (4.88p) and the interim dividend is 0.8p (0.65p).

The directors said the foundations being laid for a significant expansion of the group led them to view the future with confidence. They noted the continuing problem with the supply of high density polyethylene because of the world shortage, but said that could begin to ease over the next few months.

Chapman falls into the red

Pressure on margins and strong price competition resulted in a sharp downturn into losses at Chapman Industries, envelope manufacturer, in the six months to October 1.

On turnover of £18.96m (£17.89m), the group reported a pre-tax deficit of £278,000, against profits of £617,000 in the corresponding period last year.

Losses per 50p share amounted to 6.4p (earnings of 9.1p) and the interim dividend is omitted (2.6p).

Stewart Wight doubled

STEWART & WIGHT, property investor, achieved pre-tax profits of £82,291 in the six months to end-March against a previous £44,812.

Gross rental income totalled £79,154 (£68,873) and other income £10,341 (£761). Depreciation fell from £1,030 to £745. Tax took £29,400 (£15,700) leaving earnings per £1 share of 67.29p (36.9p). There was an extraordinary £222,100 (£57,961) credit, being profits on the sale of an area of land at Fleet, Hampshire.

Mr Michael Wernicke has resigned as a director and Mr David Cramer and Mr Douglas Conn have been appointed to the board.

Airtours surges to £4m

AIRTOURS, package tour operator, doubled its profit from £2.03m to £4.08m in the year ended September 30 1988. The final dividend is 4.9p, for a total of 6.25p.

Mr David Crossland, chairman, said the results demonstrated a return to the established pattern of steady growth, and was a vindication of the policy of expanding its market through the development of profitable niches on the firm foundations of the core business.

The company was floated on the market in March 1987, but in its first public year missed the profit forecast by a large margin, blaming the air traffic controllers' strikes, terrorism in Tunisia, and over-capacity in the tours industry.

Bookings for the 1988-89 winter season were already ahead of the total achieved last year, and bookings for the enlarged summer programme were showing a substantial increase, Mr Crossland said.

Earnings for 1987-88 came to 17.43p (8.55p). Last year the company paid a dividend of 2.7p, but if listed for a full year would have distributed 5.4p.

Eastbourne Water tender offer

Eastbourne Water Company yesterday offered for sale by tender £6m of 7 per cent redeemable preference stock, 1991-93. The issue has been fully underwritten by Equity & Law Life Assurance Society. Tenders must be for a minimum of £10,000 nominal stock.

The stock carries no voting rights, in common with all the existing preference stocks.

Oakwood raising £9m through sales

Oakwood Group, which has interests in electrical engineering and textiles, is raising £9m through the sale of non-core assets. The money will be used to develop its strategy of creating a broadly-based group.

The fabric operations of the CoxMoore Group are being sold to a management-led consortium for £8m cash. The sale of the Harold Ingram knitwear factory, following the already-announced closure of the contract knitwear business, will raise a further £1m.

The moves would allow the closure of the CoxMoore divisional head office in Leicester, resulting in significant overhead savings, Oakwood said.

The fabric operations comprise Ingram Dye Works and units producing fabrics under the names of Hall & Earl Fabrics, Hoyle Butterworth and Bell Woven Fabrics. In the 13 months to April 30 they reported pre-tax profits of £815,000 on turnover of £21.6m. Net assets at the period end were £10.4m.

An egm has been called for December 29.

Anchor Trade

Anchor Trade Finance (UK) and Anchor Trade Finance (1987) (UK) have asked us to point out that they have no connection with a company called Anchor Confirming and Finance, the purchase of which by Harvey & Thompson was reported in yesterday's edition.

Alfa joins R-R engine project

By Lynton McLain

ALFA ROMEO Avio has taken a 6.4 per cent stake in a Rolls-Royce project to replace the engines of older airliners in a market worth an estimated £8bn. R-R is in competition with Pratt & Whitney, the US aero engine manufacturer, for a share of the replacement market.

Alfa Romeo is a subsidiary of Aeritalia, the Italian state-owned aerospace company and will make the engine combustor and high pressure system parts of the Tay 670 engine.

Rolls-Royce, the UK aero-engine manufacturer, launched its Tay 670 aero engine project for older airliners at the Farnborough air show in September. It signed a memorandum of understanding with the Anacorp group of the US to re-engine McDonnell Douglas DC-9 airliners, which are up to 22 years old and will have to be grounded unless they can be made to meet new noise regulations.

Rolls-Royce is already involved with Aeritalia in the re-engining programme. Aeritalia is an equity sharing partner in the Dee Howard company of the US, which is developing a lightweight engine housing and thrust reverser for the BAC 1-11 airliner Tay re-engining programme.

The R-R Tay engine, due to enter service in 1991, is designed to re-engine older generation civil jet airliners to meet proposed noise regulations in the next five years.

Mrs Fields in EC joint venture

By Andrew Hill

MRS FIELDS, US cookie manufacturer and retailer, has announced a major change in its international strategy. It is forming a joint venture in the European Community with Midial, a French food group.

The US company, which is quoted on the USM but has no US share listing, should receive about $12m, including $4m from an issue of redeemable debentures, which will go towards reducing borrowings.

Midial is taking a 99 per cent stake in a new company, Mrs Fields Europe (MFE), which will sell products of Mrs Fields and La Petite Boulangerie, the bakery chain owned by the group's private parent company, Mrs Fields Holdings. The new company will pay Mrs Fields a fee of $5m for a product licence agreement as a prelude to building up a chain of stores in EC countries.

MFE will also buy the four existing London stores – the US group's only presence in Europe – for about $2.9m. The US company will earn a royalty based on 0.5 per cent of MFE's net sales until December 1990 and up to 2.5 per cent thereafter, and will be able to increase its stake in MFE to between 20 and 49 per cent within three years of the first European store being opened.

Mr Randy Fields, co-founder of the company with his wife, Debbi, was bullish about prospects for the joint venture despite the US group's recent heavy losses.

He said similar agreements were being discussed with other potential partners in Canada, Australia, Japan and non-EC European countries.

Tokyo Pacific Holdings N.V.
Tokyo Pacific Holdings (Seaboard) N.V.

The Quarterly Report as of 30th September 1988 has been published and may be obtained from:

Pierson, Heldring & Pierson N.V.
Herengracht 214, 1016 BS Amsterdam

National Westminster Bank PLC
Stock Office Services,
3rd Floor
20 Old Broad Street
London EC2N 1EJ

N.M. Rothschild & Sons Limited
New Court, St. Swithin's Lane,
London EC4P 4DU

L'Européenne de Banque
21 Rue Laffitte, Paris 9

Trinkaus & Burkhardt
Königsallee 21-23
D 4000, Düsseldorf 1

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Unter Sachsenhausen 4, D 5000, Köln 1

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B 1000, Bruxelles

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10a Boulevard Royal, Luxembourg

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56 Pitt Street, Sydney N.S.W. 2000

MIM BRITANNIA
UNIT TRUST MANAGERS
LIMITED

Scheme of Amalgamation
Britannia Arrow North
American Growth Trust
with MIM Britannia
American Growth Trust

MIM BRITANNIA

As a result of the passing of Extraordinary Resolutions by the unitholders of the above Trusts at separate meetings, the Scheme became effective on 2nd November, 1988. The terms of exchange of units of Britannia Arrow North American Growth Trust for units of MIM Britannia American Growth Trust is as follows:–

1 Unit of Britannia Arrow North American Growth Trust = 3.46750 "B" units of MIM Britannia American Growth Trust (ex subdivision 3-1).

Replacement certificates will be despatched not later than 1st January, 1989 to the former holders of Units of Britannia Arrow North American Growth Trust.

ELOSUA
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macisa
MARGARINAS Y ACEITES IBERICOS, S.A.

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WALLACE, SMITH TRUST CO. LIMITED

November 1988

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UK COMPANY NEWS

Norton Opax checks in with rise to £35m

NORTON OPAX, the security and specialist printer in which Mr Robert Maxwell holds a 25.6 per cent stake, yesterday unveiled pre-tax profits of £35.57m for the 12 months to end-September – an advance of some 42 per cent on the previous 18 month period to September 30 1987.

Mr David Rocklin, chairman, said: "The group has made considerable progress on a number of fronts and has consolidated its position as a major force in its chosen specialised printing businesses, both in the UK and in key markets around the world".

Group turnover expanded just 3.3 per cent from £247.13m to £255.37m. The pre-tax outcome was achieved after reduced interest charges of £3.02m (£5.41m), and an exceptional credit of £3.05m relating to the sale of freehold properties.

Earnings per 10p share worked through at 15.82p against 18.03p for the 18 month period, or 12.02p on an annualised basis. A proposed final dividend of 3.5p makes 5p for the year.

The divisional breakdown of trading profits was as follows (comparisons for 18 months): Security products £6.3m (£6.97m), Special products, £4.17m (£3.77m), Packaging, £5.95m (£4.52m), Book Printing £4.04m (£3.3m), Magazine Printing £2.89m (£2.37m) and Commercial Printing £2.86m (£3.59m).

In March, the group purchased the printing division of New Zealand's Printpac Corporation for £8m cash. Mr Rocklin said he was pleased with the initial progress of the company, now renamed Norton Opax New Zealand, despite the unfavourable local economy.

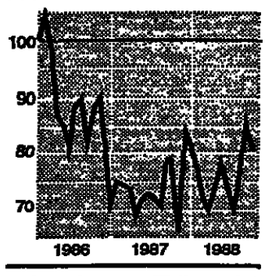
Interchecks Group, personalised cheque manufacturer, acquired for over £21m in June, had undergone a substantial reorganisation including investment in conversion to offset litho technology. "Although there is still a long way to go, we are satisfied with the progress to date," he stated.

● COMMENT

Anyone in the market for a well-rounded printing group with growing and well-chosen overseas exposure can approach Robert Maxwell and make a reasonable offer. Not for MCC's own up-for-sale printing interests – he is curiously selective about to whom he will let Samuel Montagu send the prospectus – but for his 25.6 per cent stake in Norton Opax, where the dog in the manger appears to be getting itchy. On one level, it is unfair to dwell on Maxwell's intentions, and yet his bulky presence on the register has helped to highlight Opax's strengths and weaknesses. Well-rounded Opax may be, but none of its operations is exactly the pick of its sector. This makes a break-up bid unlikely, and casts doubt on MB Group as a possible suitor, since its interest would not extend beyond cheque printing. Perhaps Maxwell is waiting to pass his stake to a BPCC management buy-out team led by John Holloran, the ex-McCorquodale chief with a score to settle. If the right opportunities come along, Opax has the borrowing facilities lined up to buy for cash, and it should. Few starker examples could be found for the contrasting messages given by gearing (up from 15 per cent to 68 per cent because of £35m in goodwill written off on acquisitions) and by interest cover (more than doubled to a super-prudent 11.8 times), and why the latter is a superior gauge. If there is any doubt why Opax cannot afford to issue more shares, the big slug of exceptional profits reported yesterday means stagnant earnings this year, assuming pre-tax profits of £37m. On shares 3p lower at 152p, the prospective fully diluted p/e of 10.2 fairly reflects the complex situation.

Norton Opax

Share price relative to the FT-A All-share Index



Vaux over £26m as valuation lifts assets to 850p per share

By Lisa Wood

VAUX GROUP, the Sunderland-based brewer in which Queens Moat holds an 8.55 per cent stake, yesterday reported pre-tax profits of £26.2m for the year to October 1, an increase of 21 per cent on the previous year's £21.6m.

The group's shares closed 3p up at 728p, reflecting both results in line with market expectations and a property revaluation which gives an asset valuation of 850p per share.

Earnings per share were 40.1p (34.7p) with a proposed final dividend of 10.93p per share making a total of 16.33p (14.2p). Directors are also recommending a 5-for-2 share division.

Vaux has two core businesses, brewing and hotels. Group turnover of £196.5m (£181.7m) was made up of £91.25m (£87m) from brewing, £50.25m (£45.9m) from wines and spirits and £55m (£48.6m) from Swallow Hotels.

Trading profits amounted to £23.86m (£20.82m) with contributions to pre-tax profits including one of £789,000 (£498,000) from property disposals. Finance charges, at £30,000 were substantially down on last year's £1.49m.

Swallow Hotels, the seventh largest chain in England, showed a 20.4 per cent increase in profits with two new hotels opened during the year. Two more are planned this year.

A 15 per cent return on investment came from St Andrews Homes, a new nursing home division. The first home was opened in February with four acquired since October and four more under construction.

The brewing division achieved a 9.5 per cent increase in profits to £11.5m. Volumes fell slightly in the competitive north east market although Labatt lager helped Vaux increase its lager percentage of beer sales. Blayneys, the off-licence chain, made profits of £1.2m, a 12 per cent increase on the previous year.

● COMMENT

Strong representation in the provinces, rather than London, has brought improved room rates and occupancy level for Swallow Hotels. The development of nursing homes – a market set for growth – appears to be a logical move with Vaux tendering for the northern homes of Ladbroke. Queens Moat is said to be unaggressive but the stake leaves it well placed should there be a bid. Brewing has been under considerable pressure from the competition with Vaux not best placed at the brand level for a possible free-for-all in the industry after the Monopolies report. Analysts are looking for pre-tax profits of £29.8m for the full year giving a prospective p/e of 16.

McCarthy & Stone at £34m

By Fiona Thompson

MCCARTHY & STONE, the leading sheltered homebuilder, raised pre-tax profits by 37 per cent in the year to August 31 1988 from £24.9m to £34.1m. Turnover advanced by 51 per cent to £149.7m (£98.9m).

Earnings per share lifted to 40.10p (29.19p) fully diluted. The recommended final dividend of 4p makes a total for the year of 5.14p (4.10p).

Almost all of the increase was due to higher sales of retirement apartments in the UK, said Mr John McCarthy, chairman. Units sold rose from 2,182 to 2,601 units.

The average selling price rose from £43,200 to £54,500. Some of this gain was due to greater penetration of the market in and around the London area, where almost 20 per cent of total sales were achieved.

The five nursing homes made an insignificant contribution, but Mr McCarthy said occupancy rates had risen from between 60 and 70 per cent to 80 – 85 per cent.

The international side made a negative contribution, but progress was beginning to gather pace and the division should be in profit this year, said Mr McCarthy.

The interest charge rose to £8m (£5m). Tax took £11.6m (£8.8m).

In the first quarter of the present year 446 units were sold, compared with 349.

● COMMENT

McCarthy & Stone's results were bang in line with City forecasts and the shares closed unchanged at 333p. Gross margins were slightly less than forecast, hampered by labour costs some 20 to 30 per cent up, and the substantial investment in the international division. While international will probably make only a small contribution this year, McCarthy has the ability to expand dramatically in Europe in the next few years. In France the development at Grasse and the Merlin acquisition should be significant contributors. And there is still substantial growth to be seen in the UK. While housebuilders are not particularly popular with the market at the moment, first quarter unit sales up 28 per cent and contracts up 36 per cent is still an impressive performance. The City is looking for about £45m this year, producing a prospective p/e of 6.8, down in line with sector sentiment.

T&N in £29m expansion in France and Spain

By David Waller

T&N, the engineering group formerly known as Turner & Newall, is expanding the continental European operations of Ferodo, its friction materials subsidiary, with the £29m acquisition of the French and Spanish interests of Abex Corporation of the US.

The French and Spanish companies make friction materials such as brake pads and linings. Each has about 25 per cent of its domestic market, with turnover of FFr 350m (£32m) and Ptas 2,100m (£10m).

Mr Colin Hope, T&N managing director, said both companies make a 10 per cent margin on sales and the deal would enhance current year earnings. He predicted significant benefits from having manufacturing plants in all Europe's key vehicle-producing countries.

He pointed out that the acquisitions would soon be able to make use of the Ferodo brand name. The right to the name was sold to licencees years ago, but the licence in Spain runs out at the end of the current year and in France at the end of next year.

T&N has also sold its 31 per cent stake in T&N/Valeo joint venture in Spain for £4.4m. Mr Hope said the disposal would enhance earnings as the company received no dividend on its investment last year.

The latest moves are in line with the strategy of buying and selling smaller companies to improve performance. T&N's shares rose 2p to close at 158p.

J A Devenish expands 15% to £11.5m

By Lisa Wood

PRE-TAX profits almost 15 per cent higher at £11.5m were announced yesterday by J A Devenish, the West Country brewer, for the year to September 30.

Earnings per share, at 22.74p, showed an increase of 24 per cent with directors proposing a final dividend of 2.8p for a total of 3.55p (3p).

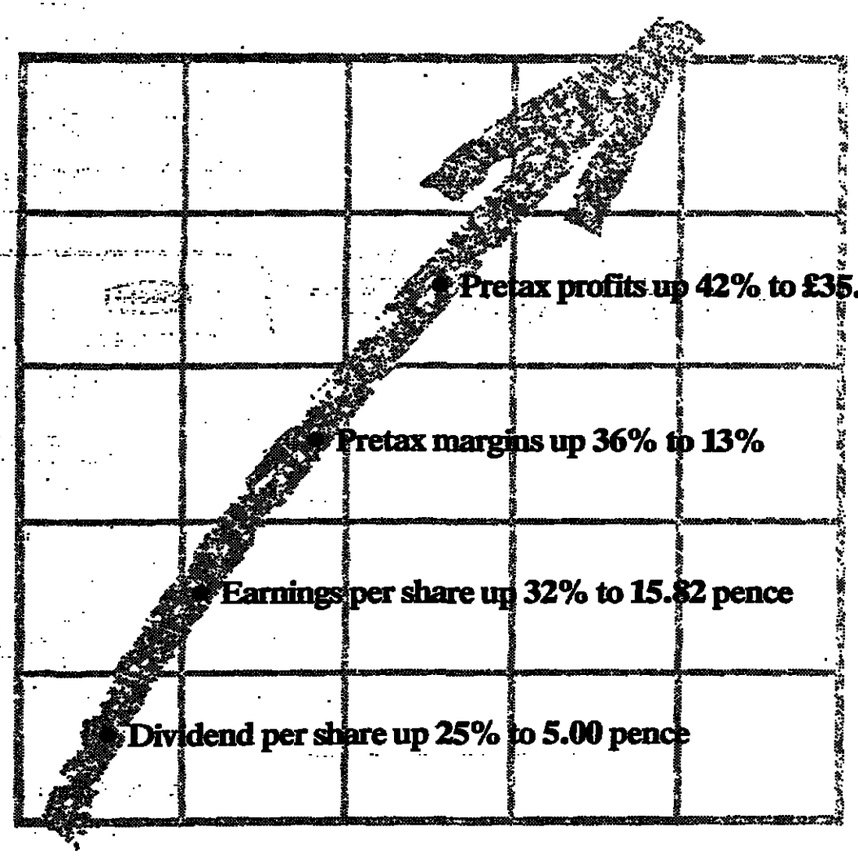
Mr Michael Cannon, chairman, said: "It has been another year of significant expansion for the group." Development of the managed estate continued at a "furious pace", the brewery had been modernised, the bottled range of Newquay Steam beers had been launched nationally and the company's wholesaling business was substantially strengthened, he added.

Turnover was £70.31m (£51.93m). A contribution of £3.4m (£2.04m) came from property disposals. Interest charges were £3.03m (£1.32m).

Since 1986 Devenish's managed houses have increased from 40 to 160, a development which has helped increase sales with the full potential to be seen next summer, according to the group.

● COMMENT

The jury is out as to whether the ambitious board of Devenish has succeeded in turning a sleepy West Country brewer into a successful retailer. It will be more than 18 months before the Redruth brewery breaks even and the pace of growth from the managed houses will slow down this year. The board is optimistic about reducing debt with an immediate reduction of £6m with the sale of the Weymouth brewery this January. Analysts are looking for full year pre-tax profit of £13.3m giving a prospective p/e of nearly 12.



ANOTHER RECORD YEAR OF PROFITABLE GROWTH

"I am pleased to be able to report another year of record results for your company. Norton Opax has made considerable progress on a number of fronts and has consolidated its position as a major force in its chosen specialised printing businesses, both in the United Kingdom and in key markets around the world"

DAVID ROCKLIN – Chairman.

Preliminary results for the 12 months ended 30th September 1988 (compared with the 18 months to 30th September 1987):

TURNOVER	£272.9 MILLION UP 5%
PRETAX PROFIT	£35.6 MILLION UP 42%
PRETAX MARGINS	13% UP 36%
EARNINGS PER SHARE	15.82p UP 32%
DIVIDEND PER SHARE	5.0p UP 25%

All percentages are based on previous period of 18 months except earnings per share and dividend per share which are based on annualised figures.

NORTON OPAX
INTERNATIONAL SPECIALIST PRINTERS

Copies of the report and accounts may be obtained from: The Secretary, Norton Opax plc, Norton Opax House, 11 Ripon Road, Harrogate HG1 2JA. The contents of this statement have been approved for the purposes of Section 57 of the Financial Services Act 1986 by Peat Marwick McLintock as an authorised person.

This announcement appears as a matter of record only.

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Proposed Rights Issue of
8,526,264 new 8.5 per cent. net convertible cumulative redeemable preference shares of £1 each
to be issued at par
("convertible preference shares")

Application has been made to the Council of The Stock Exchange for the grant of permission to deal in the above convertible preference shares in the Unlisted Securities Market. It is emphasised that no application is being made for these securities to be admitted to the Official List.

Particulars of the convertible preference shares will be available in the Extel Unlisted Securities Market Service from 19th December, 1988.

Copies of the circular to shareholders dated 24th November, 1988 containing particulars given in compliance with the regulations of the Council of The Stock Exchange relating to Cityvision plc and including details of the convertible preferences shares, may be obtained during normal business hours and for two business days from the date of this notice from the Company Announcements Office of The Stock Exchange, 46–50 Finsbury Square, London EC2A 1DD, and for collection only on any weekday (Saturdays and public holidays excepted) for 14 days from the date of this notice from:

McCaughan Dyson Capel Cure (UK) Limited,
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London EC1A 2EU.

14th December, 1988.

ERT

UNION EXPLOSIVOS RIO TINTO, S.A.
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November 1988

UK COMPANY NEWS

Aitken turns in £414,000 loss

By David Waller

AITKEN HUME, the troubled financial services group, yesterday announced that it intends to launch a rights issue to raise £4.7m and reported a half-year swing into losses at the level of profits before tax and exceptional items.

Aitken also said that it had reached agreement in principle to sell Sentinel Life, its life assurance subsidiary, to an unidentified buyer.

Contrary to the company's hopes in October, proceeds are expected to fall far short of Sentinel's appraisal value of £14.1m, but are likely to be enough to eliminate the group's £9m borrowings.

Reflecting depressed conditions in the financial services industry, a pre-tax profit of £3.03m in the first half of 1987-88 turned into a loss of £414,000 in the six months to the end of September this year, a figure arrived at after interest but before a £1.1m exceptional credit.

Mr Jonathan Aitken, the chairman, said that during the past few months, considerable progress had been made towards putting the business on a sound footing for future growth, with overheads cut by £5m in the UK and $3m in the US on an annualised basis.

But he said that market conditions looked set to remain poor for the present year and the Board had decided not to recommend an interim dividend. The shares slipped 5p to 49p.

Mr Emmanuel Olympitis, chief executive, said that combined proceeds from the 1-for-10 rights issue of convertible preference shares of £1 each, and the sale of Sentinel leave the company cash positive and in a position to expand its business in banking, fiduciary and management services and fund management in the US.

The rights issue is underwritten by subsidiaries of Said Trust and the Lee Ming Tee group, who between them own around 48 per cent of Aitken Hume shares.

It is conditional on the approval of the independent trustees and fund-holders of the NSR fund management business in the US because it is very likely that either or both the underwriters will end up with more than 25 per cent of the group, thus breaching the limit which forces a mandatory change of fund managers at NSR.

Mr Olympitis said he was confident of getting the necessary approval, but that the process would take some time. The issue is thus open for 90 days.

The figures show a fall in gross revenue from £19.2m to £14.35m, a decline in profits at NSR from £2.23m to £584,000 and at the UK fund management business (sold in mid-October this year), from £2.10m to a loss of £179,000.

Banking profits however surged from £179,000 to £655,000; Sentinel contributed a profit of £31,000. Fiduciary and management services – basically the Bachmann Group in Guernsey, bought in December 1987 – contributed £486,000.

"Corporate costs including unallocated interest" absorbed £1.99m (£1.51m); Mr Olympitis said that the figure would be a lot higher during the full year, as the caption embraces not just interest but redundancy costs, of which there are more to come in the second half.

The exceptional credit arises because of an error on the part of the independent consulting actuaries who valued Sentinel; a debit of £900,000, also relating to the value of Sentinel, was taken against reserves and gave rise to a prior year adjustment.

● COMMENT

For all the chairman's optimism that the rights issue would usher in a new era of profitability, yesterday's news from Aitken Hume contained a number of disappointments for the company's long-suffering shareholders. But quite apart from the uncertainty surrounding the cash-raising exercise and the the fact that the Sentinel disposal will raise "substantially" less than the (adjusted) appraisal value shareholders were told they would get in October, the presentation of the accounts did little to inspire confidence. Why take the credit half of the two Sentinel adjustments above the line, and stick the deficit well below? And it would be nice to have a breakdown of "corporate costs including unallocated interest." As one broker said yesterday, "the shares are an unequivocal sell."

Strong demand lifts BSS to £5.62m

By Richard Tomkins, Midlands Correspondent

BSS, the Leicester-based industrial products distributor that sold its manufacturing interests last year, yesterday reported a 32 per cent increase in pre-tax profits from £4.26m to £5.62m for the six months to September.

The company said the improvement marked more of the strong demand seen in last year's second half, although the comparison was with a period of relatively quiet trading.

There had been no signs of a slackening in demand in the present second half and the company was confident of a good overall result.

Turnover rose from £47.31m to £61.78m, partly reflecting last year's acquisition of A.M. Supplies and Ivco. But Mr Alan Milne, finance director, said their contribution to profit after interest charges was still quite small.

Earnings per share rose by 31 per cent from 14.7p to 19.3p and the dividend is lifted from 4p to 5p.

Mr Milne said BSS's growth had been stimulated by the buoyancy of the UK economy, but he also believed the company had increased market share through attention to its customers' needs. "We believe our future is very dependent on our ability to service our customers," he said.

National coverage had been expanded through the opening of a BSS branch in Preston, an Ivco branch in Grangemouth, and the acquisition of a head office and main distribution centre for A.M. Supplies in Wakefield.

July had seen the acquisition of the tube, valve and fittings business of Charles Booth and A.M. Supplies had been expanded earlier this month through the purchase of Actonbridge.

Premier confident over oil find

By Steven Butler

PREMIER CONSOLIDATED Oilfields yesterday reported an oil find in the Gulf of Thailand that Mr Roland Shaw, chairman, said could have a significant impact on the group's total reserves.

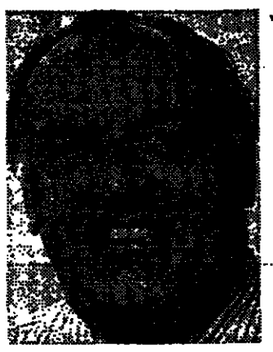
"We are pretty confident that it is a very substantial accumulation. What we are talking about here is making a very large discovery and costing pennies a barrel," he said.

Premier shares moved up strongly on the news, closing 5p higher at 59½p. Premier currently has about 72.5m barrels of reserves, including the recent extension of Wytch Farm.

The Thai well is the first that Premier has drilled in the huge offshore concession, as big as 44 North Sea licence blocks or 2.3m acres, in the Songkhla basin. The well is 10 miles offshore in 60 ft of water.

Mr Shaw said that Premier had only begun to explore the entire area, in which it has a 55 per cent interest. Petrofina holds the balance.

The well flowed 31 degrees API oil at a sustained rate of 1,500 barrels a day through a restricted choke.



Roland Shaw: a very large discovery.

The structure drilled is 10km by 2km, although Mr Shaw would not reveal further details about the well, such as its depth or the thickness of the oil-bearing strata.

He said Premier was reluctant to disclose details of the well because it was preparing to submit applications for further licences in the area next year.

Although large quantities of gas have been found to the east of this area, the Premier find could prove to be the first major oil discovery.

Shell found oil to the north, but the well had to be suspended after six months of production because of water encroachment, in which the water component of production rose rapidly.

Mr Shaw said yesterday that Songkhla basin was a completely separate geological structure.

Premier plans to meet with Petrofina early in the new year to discuss further appraisal and exploration efforts on the concession. Three further structures have been identified nearby which would merit exploration.

The two companies have so far spent under $10m (£5.5m) to explore the basin.

Correction

Willaire Systems

Willaire Systems, industrial services and environmental and computer products group, moved to a full listing in May. Our report on December 6 incorrectly described it still as a USM company.

SHARE STAKES

Changes in company share stakes announced recently include:

Alphameric: Scottish Amicable Investment Managers increased holding by 100,000 shares to 1.85m (9.4 per cent).

Alva Investment Trust: North of Scotland Investment purchased 225,000 ordinary (12.86 per cent) - 100,000 at 201½p and 125,000 at 202p. Temple Bar Investment increased holding by 40,000 shares to 395,000 (22.57 per cent).

Charterhall: Wycon, a wholly-owned subsidiary of Westmex, now holds 199.35m ordinary (53.2 per cent).

Fleming Enterprises Investment: Equitable Assurance Society has bought 200,000 shares and holds 7.7m (19.26 per cent).

Goode Durrant: Scottish Amicable Investment Managers acquired 650,000 ordinary and now holds 3.73m (7.6 per cent).

Hanover Druce: Mr S. A. Goldstein, managing director of the company's wholly-owned subsidiary, Alexander Stevens, bought 150,000 and 25,000 ordinary and now holds 393,035 (6.38 per cent).

Hartwell: Cresscombe has acquired 1.25m ordinary, making a total of 11.52m (14.62 per cent).

Jove Investment Trust: Unaudited net asset value per capital share at November 30 1988 was 87.56p.

Kleinwort Development Fund: Kleinwort Charter Investment Trust bought 160,000 ordinary to increase stake to 644,000 (10.64 per cent).

Microfilm Reprographics: As a result of purchases made by John Govett and Co on behalf of clients under its discretionary management, the number of ordinary shares so held amounts to 4.6m (19.74 per cent).

Molins: Mutual Shares Corp interested in 770,000 shares, Mutual Qualified Income Fund 300,000, and Mutual Beacon Fund 680,000 shares. IEP Securities, a wholly-owned subsidiary of Industrial Equity (Pacific), owns 8.62m ordinary.

MY Holdings: Coast Securities has accepted the offer from Taweydown in respect of 5m MY shares (12.82 per cent). It continues to be beneficial owner of 2.7m shares.

Polymark International: Timothy Rosen and Leslie Kent jointly and beneficially purchased 634,000 shares (5.4 per cent).

Priest Marians Holdings has bought £2.66m nominal of its 6.5 per cent convertible unsecured loan stock 2000/2003 (about 8.9 per cent of the outstanding balance).

Prism Leisure: G.H. Akins purchased 10,000 shares lifting holding to 320,000 (8.2 per cent).

Process Systems: L.E. Hamilton, director, sold 200,000 shares at 5p, reducing holding to 4.38m (8 per cent).

Reliant Motor: Streamclare, Hubberstone and D.L. Blake together hold 450,000 shares (5.08 per cent).

Rolfe and Nolan: Prudential Corporation interested in 187,500 shares, or 7.2 per cent (up from 6.1 per cent).

Sanderson Murray & Elder: Selective Investments now holds 227,500 ordinary (11.97 per cent).

Trafford Park Estates: Peel Holdings interested in 4.85m shares (14.52 per cent).

TR Australia Investment Trust: River Plate and General Investment acquired 100,000 shares and holds 9.72m (29.65 per cent).

Trimoco: Bishopsgate Investment has increased its stake to 11.45m ordinary (14.77 per cent).

Vivat Holdings: Compagnie de Navigation Mixte SA increased holding to 10.7m shares (26.08 per cent).

Thomas Walker: The company's pension trust holds 315,000 shares (5.16 per cent).

Barry Wehmiller International: Barry Wehmiller Company acquired 1.26m new ordinary at 178p and holds 6.58m (22.8 per cent). **James Wilkes:** S.L. Hinchliffe, chairman, has acquired, as beneficial owner, 143,282 ordinary. His total holding of voting shares is 1.03m (12.65 per cent).

Yellowhammer: J. Pemberton, director, disposed of 160,000 ordinary at 154p per share, reducing holding to 867,000 (8.1 per cent).

PRELIMINARY RESULTS FOR
GRANADA
52 WEEKS ENDED 1 OCTOBER 1988

Turnover
at £1,468 million is up by 44%

Profit before taxation
at £143 million is up by 29%

Earnings per share
at 28·1p are up by 11%

Dividend per share
at 11·2p is up by 14%

"The major acquisitions of Electronic Rentals and the computer maintenance company DPCE are now both fully integrated. These are part of our substantial investment programme which provides us with a secure base for further growth in earnings."

Alex Bernstein *Chairman*

Granada Group PLC
36 Golden Square, London W1R 4AH. 01-734 8080

The contents of this statement have been approved for the purposes of Section 57 of the Financial Services Act 1986 by an authorised person. The Company is required to state that past performance is not necessarily an indication of future performance.

GRANVILLE

SPONSORED SECURITIES

High	Low	Company	Price	Change	Gross div (p)	Yield %	P/E
285	185	Ass. Brit. Ind. Ordinary	283	0	10.3	3.6	7.6
285	186	Ass. Brit. Ind. Culs	283	0	10.0	3.5	-
42	25	Armitage and Rhodes	34	-1	-	-	-
57	30	BBB Design group (USM)	30	-3	2.1	6.8	4.8
173	155	Bardon Group	169xd	0	2.7	1.6	28.9
117	100	Bardon Group Conv. Pref.	117	0	6.7	5.7	-
148	103	Bray Technologies	107	+1	5.2	4.9	8.6
114	100	Brenhill Conv. Pref	110	0	11.0	10.0	-
287	246	CCL Group Ordinary	285xd	0	12.3	4.3	4.3
178	124	CCL Group 11% Conv.Pref	169	0	14.7	8.7	
154	129	Carbo Plc (SE)	141	0	6.1	4.3	12.3
113	100	Carbo 7.5% Pref (SE)	108xd	-4	10.3	9.5	
353	147	George Blair	353	0	12.0	3.4	7.8
119	60	Isis Group	118	0			15.5
118	87	Jackson Group (SE)	98xd	+3	3.3	3.4	10.8
287	245	Nightholse NV (AmstSE)	260	+2	-	-	-
119	40	Robert Jenkins	107	0	7.5	7.0	4.0
430	124	Scruttons	408	0	8.0	2.0	37.1
280	194	Torday & Carlisle	278	0	7.7	2.8	13.5
100	100	Torday & Carlisle Conv Pref	100	0	10.7	10.7	-
98	56	Trevian Holdings (USM)	86xd	0	2.7	3.2	9.2
113	100	Unistrut Europe Conv Pref	108	0	8.0	7.4	
355	350	Veterinary Drug Co. Plc	353	0	22.0	6.2	9.4
337	203	W.S Yeates	339	+2	16.2	4.8	65.2

Securities designated (SE) and (USM) are dealt in subject to the rules and regulations of The Stock Exchange. Other securities listed above are dealt in subject to the rules of TSA

These Securities are dealt in strictly on a matched bargain basis. Neither Granville & Co Limited nor Granville Davies Limited are market makers in these securities

Granville & Co. Limited.
8 Lovat Lane, London EC3R 8BP
Telephone: 01-621 1212
Member of TSA

Granville Davies Limited
8 Lovat Lane, London EC3R 8BP
Telephone 01-621 1212
Member of the Stock Exchange & TSA

I.G INDEX LTD, 9-11 GROSVENOR GARDENS, LONDON SW1W 0BD
Tel: 01-828 7233/5699 Reuters Code: IGIN, IGIO

FT 30	FTSE 100	WALL STREET
Dec. 1425/1434 -2	Dec. 1753/1763 -1	Dec. 2128/2136 -2
Mar. 1438/1447 -2	Mar. 1768/1778 -2	Mar. 2149/2161 -3

Prices taken at 5pm and change is from previous close at 9pm

U.S. $75,000,000
Southeast Banking Corporation
(Incorporated in Florida, U.S.A.)

Floating Rate Subordinated Notes Due 1996

For the six months 14th December, 1988 to 14th June, 1989 the Notes will carry an interest rate of 9⅝ per cent. per annum. Interest due on 14th June, 1989 will amount to U.S. $483.44 per U.S. $10,000 Note.

Morgan Guaranty Trust Company of New York
London
Agent Bank

U.S. $200,000,000
MARINE MIDLAND BANKS, INC.
Floating Rate
Subordinated Notes Due 2000

Interest Rate	9½% per annum
Interest Period	14th December 1988 14th March 1989
Interest Amount per U.S. $50,000 Note due 14th March 1989	U.S. $1,187.50

Credit Suisse First Boston Limited
Agent Bank

Leveraged Capital Holdings N.V.
The Quarterly Report as of 30th September 1988 has been published and may be obtained from:
Pierson, Heldring & Pierson N.V.
Herengracht 214, 1016 BS Amsterdam. Tel. +31-20-211188

Standard Chartered

Standard Chartered PLC
(Incorporated with limited liability in England)

US$400,000,000 Undated Primary Capital Floating Rate Notes

In accordance with the provisions of the Notes, notice is hereby given that the next Interest Determination Period will run from 14th December, 1988 to 6th January, 1989. This Interest Determination Period is also a Residual Period (as defined) and the Notes will carry interest at the rate of 9 11/16 per cent. per annum.

Interest payable on 6th January, 1989 will amount to US$61.89 per US$10,000 Note and US$618.92 per US$100,000 Note.

Standard Chartered Merchant Bank Limited
Agent Bank

هكذا من الأصل

Unilever PLC

has sold its subsidiary

Thames Board Limited

to

AB Iggesunds Bruk

We acted as the financial adviser to Unilever PLC

Goldman Sachs International Limited

Goldman Sachs

February, 1988

Rowntree plc

has sold its wholly owned subsidiary

Rowntree Snack Foods Limited

to

Vanguard Plastics Limited

a subsidiary of

Borden Inc.

We acted as the financial adviser to Rowntree plc

Goldman Sachs International Limited

Goldman Sachs

April, 1988

B P America Inc.

a subsidiary of

The British Petroleum Company p.l.c.

has sold its subsidiary

Scicon Corporation

incorporating

Scicon Limited
SCS Scientific Control Systems GmbH
Groupe Francais d'Informatique
Systems Control, Inc.
Systems Control Technology, Inc.

to

Systems Designers plc

We acted as the financial adviser to B P America Inc.

Goldman Sachs International Limited

Goldman Sachs

May, 1988

J. Lauritzen A/S

has sold the ferry businesses of

Mols-Linien A/S and Grenaa-Hundested Linien A/S

to

K/S Difko LXII

of

The Danish Investment Foundation of 1st July 1976

We acted as the financial adviser to J. Lauritzen A/S

Goldman Sachs International Limited

Goldman Sachs

October, 1988

Williams Holdings PLC

has acquired

Smallbone PLC

We acted as the financial adviser to Smallbone PLC

Goldman Sachs International Limited

Goldman Sachs

November, 1988

Appletree Holdings plc

has sold its wholly owned subsidiary

Hunters Foods Limited

to

Dalgety PLC

We acted as the financial adviser to Appletree Holdings plc

Goldman Sachs International Limited

Goldman Sachs

November, 1988

COMMODITIES AND AGRICULTURE

Copper and zinc prices fall as Peru strike ends

By Kenneth Gooding, Mining Correspondent

METAL PRICES slipped yesterday following overnight news that the 57-day miners' strike in Peru had ended. But analysts pointed out the fundamental tightness of supplies had not changed and some suggested there would be further interruptions to Peruvian output after Christmas.

Of the base metals, Peru last year mined 11 per cent of all non-Communist world zinc, 8 per cent of all lead and 6 per cent of copper.

It also was responsible for nearly 15 per cent of silver production. Silver is not been in short supply and the price has hardly been affected by the strike. The market continued to be unconcerned about events in Peru yesterday and, contrary to some analysts' expectations, the silver price in London rose 3 cents to 617 cents.

The copper price had already been weakening, not only because an end to the Peruvian strike was widely expected, but mainly because fears of a squeeze on the New York Commodity Exchange (Comex) in late December had eased following an unexpected increase in Comex stocks starting on Friday and continuing into this week.

On the London Metal Exchange price of Grade A copper for immediate delivery fell £56.50 a tonne on Monday and dropped another £77 to £1,850.50 a tonne yesterday.

Special High Grade zinc for immediate delivery, which slipped by $17.50 a tonne on Monday on news that talks between the miners' union and management in Peru were to start again, was down another $7.50 to $1,540 yesterday. Cash lead lost another $2 a tonne after falling $4 on Monday to end yesterday at $397 a tonne.

Mr Andrew Smith, metals analyst with UBS Phillips & Drew, said that, although settlement of the strike would be bound to take some of the speculative froth out of copper and zinc prices, "fundamentals are extremely sound, buttressed by another year of investment-led, metals-intensive growth in the world economy.

"We expect the average for all metals prices, except aluminium, to be higher in the first half of next year."

Mr Smith also suggested that the Peruvian miners "wanted to have some food in their bellies at Christmas time"

Other analysts also questioned the permanancy of the settlement. Major economic and political problems remain in Peru which could disrupt output again next year, they pointed out.

End of strike, Page 3

Namibian diamond venture

By Jim Jones in Johannesburg

CONSOLIDATED Diamond Mines, De Beers' wholly-owned Namibian arm, is to establish a new R90m production area at Auchas, 45 km north of the company town of Oranjemund and inside its existing concessions.

The company says the new area will be brought into production in the second half of 1990 and that development of infrastructure will start early next year. Reserves are sufficient to support an annual ore processing rate of 1.2m tonnes for ten years to produce about 43,500 carats a year.

Grades in the new area appear to be significantly lower than the average of CDM's present operations. Last year the Namibian company processed 13.44m tonnes of ore to produce 1.02m carats of diamonds, at an average recovery grade of 7.6 carats per 100 metric tonnes.

The company has not commented on the expected profitability of the new recovery operation, nor will it. Profitability will depend on the quality rather than the quantity of diamonds recovered, and CDM's alluvial mines produce particularly good quality gems and scarcely any of the cheap industrial diamonds.

CDM says the Auchas venture forms part of the company's effort to increase reserves and to extend the life of the company's mining operations. In 1986 a government-appointed commission of inquiry accused CDM of excessively depleting its high grade reserves. The company rejected the accusations and they were subsequently dropped by the Namibian government, though that was followed by press disclosures in Windhoek of payments by CDM to government ministers.

Observers believe the 20 years of so-called "over-mining", if in fact it occurred, was prompted by the company's concern over the likely attitude towards the privately-owned mining firms of a post-independence government in Windhoek.

Brussels modifies beef plan

By Tim Dickson in Brussels

THE EUROPEAN Commission last night appeared to be moving to calm some of the worst fears raised by its controversial proposals to reform the beef regime.

A new paper submitted to farm ministers of the 12 at their meeting in Brussels contained two ideas clearly designed to make the package more palatable to some of its most vociferous critics.

The first was a new "safety net" to ensure continuing guaranteed purchases of meat by Brussels in the event of a market crisis, regardless whether or not the 200,000 tonne annual limit which the Commission wishes to impose on such purchases was reached.

The new mechanism would be triggered automatically if market prices fell below 75 per cent of the EC's intervention price and would require the Community to accept tender offers at up to 77 per cent of the intervention price.

The other idea – a relaxation in the maximum number of male animals eligible for the newly increased special premium – seemed to be aimed at meeting a major concern of Mr John MacGregor, Britain's Agriculture Minister.

Under the proposed new arrangements a payment of Ecu 40 per head would be made on the first 50 animals – with Ecu 20 per head available for the rest up to a maximum of Ecu 5,000 per farm. This new cash ceiling effectively replaces the original headage limit of 75 animals with a new limit of 200 animals.

While efforts to reach agreement were expected to last late into the night (with no guarantee of success) ministers yesterday did manage to agree a 53,000 tonne quota for imports of frozen beef. Some 90 per cent of this is to be divided up between member states via national quotas but, with an eye to the implications of the advent of the single European market in 1992, ministers agreed that 10 per cent should be put into a new community-wide reserve.

Regenerating Indonesia's rain forests

John Murray Brown on the exciting potential of a Dutch scientist's breakthrough

WILLIE SMITS thinks nothing of passing the night 35 metres up a tree in the canopy of the equatorial rain forest. "You never can tell when it will flower," he explains.

The tree in question is the dipterocarp, the largest and most widespread of Indonesia's native species. Mr Smits has spent more than three years in greenhouse research in a corner of Kalimantan which in 1985 was ravaged by the worst forest fire in history. Today this 32-year-old Dutch scientist, whose project is funded by Dutch government aid, believes he has made an important breakthrough in the increasingly desperate battle to save Indonesia's rain forest from the threat of commercial logging and slash and burn agriculture. And he is now testing his findings at a small dipterocarp plantation he has established – something never before achieved on a commercial scale.

Indonesia's Forestry Minister Mr Hasrul Harahap has already given his backing to the project, as has Dr Emil Salim, the respected Minister for Population and the Environment. At a meeting in Jakarta this week Mr Smits will present his findings to more than 500 private concession holders, a motley group of military and local Chinese interests often described as Indonesia's most powerful business lobby.

Working with two Indonesian scientists, Mr Smits has for the first time identified the parasitic fungus vital for the tree's root system. The research, if a little abstruse to the layman, could well have a dramatic impact on the Indonesian timber industry, which last year earned $2.5bn, the largest source of foreign exchange outside oil and gas. Applied on a large scale, it could also have important benefits for animal and plant life conservation and even global weather patterns.

The dipterocarp, which accounts for 80 per cent of Indonesia's tree cover, is highly valued by foresters for its long straight bole, sometimes measuring 30 metres to the first branch. The tree has also tended to grow in lowland rain forest, the areas most accessible to loggers.

Today the country has 114m hectares or 10 per cent of the world's surviving rain forest, according to figures from the United Nations' Food and Agriculture Organisation. The country's 55m hectares of production forest are said to contain the world's most valuable stands of commercial hardwoods. Timber yields in parts of Kalimantan are as much as 400 cubic metres a hectare, compared with a count of 30 cu m in Brazil, the only country with more extensive forests. Indonesia boasts over 400 separate species in a single hectare, making it the planet's most biologically diverse region.

However, like many poor countries rich in natural resources, Indonesia faces severe land constraints, particularly on the main island of Java. The country has a population of 175m and it is growing by 2.3 per cent every year. Meanwhile it has an external payments crisis, with debt servicing set to absorb around 40 per cent of export receipts in the current year.

The drop in oil earnings, traditionally the mainstay of the economy, has actually accelerated the invasion of the forest, in the search for new exports. As timber companies go further and further to supply their factories, the logging roads they leave behind open up the forest for the smallholder, using traditional slash and burn farming methods.

According to the FAO Indonesia is now losing its forests at a rate of 1m hectares every year, more than the UK's Forestry Commission has planted since the Second World War and faster than any country apart from Brazil.

Debt for nature swaps, like the one organised by Citicorp in Bolivia have been enthusiastically promoted as a way out of the mess. But in Indonesia's case, economists believe this would send a negative signal to financial markets, where the country's credit standing is still relatively good.

Plywood companies, meanwhile, are rushing to increase production just to recover the large scale forced investment, following the Government's ban on raw log exports in 1983. The short-sightedness of the policy is only now really appreciated with plywood prices falling and buyers in Japan, the main market, accusing Indonesia of dumping.

To date reafforestation has been pitifully inadequate. Instead of replanting concessionaires choose to pay the statutory $4 for every cubic metre of cut timber. Many feel with the 20-year length of concession there is little incentive when considering a species like the dipterocarp which takes 60 years to mature and flower for the first time. Meanwhile the government payment for replanting, at 600,000 rupiah (£190) a hectare does not reflect the real costs.

The Government's own efforts at reafforestation are little better. At Suharto Hill, a 77,000 hectare research station opened by the President after the great fire, officials confirmed that a mere 800 hectares had so far been established, mostly of lower value fast-growing species like Eucalyptus and Acacia.

Hardwood estates are virtually unknown. On Java the Dutch colonists planted teak, a non-indigenous exotic introduced from Burma. Centuries earlier Hindus on Bali planted the sacred Monkey forest at Sangeh, which Mr Smits believes is the only known dipterocarp estate.

Traditionally one problem has been the short viability of the dipterocarp seeds which can be stored for no more than a few days. Also critical is soil temperature, which can be badly affected once the shade-giving mother tree is felled. However, the major breakthrough came when Mr Smits discovered that seedling growth was seriously impaired when cut off from the root system of the mother tree.

Today Mr Smits claims not only to have mastered the technology but to have done so at a cost which is attractive to lumber companies. At this week's meeting Mr Harahap is widely expected to endorse these claims, forcing all concessionaires to establish dipterocarp nurseries, doubling the remuneration for companies establishing plantations, and raising the number of forest wardens to enforce these changes.

It promises to be a stormy encounter.

India may need to import more grain

By K.K. Sharma in New Delhi

INDIA'S FOOD stocks now stand at what is considered to be a dangerously low level of around 5m tonnes, despite a good "rabi" (summer) crop this year, and officials are therefore considering whether further imports of grain are needed.

The fall resulted mainly from an unexpectedly low procurement of grain by government purchasing agencies from the main markets in the northwestern states of Punjab and Haryana after the summer rice harvest, despite offering slightly higher prices than last year.

Agencies like the Food Corporation of India have reported rice procurement at 1.78m tonnes and that of wheat at 6.5m tonnes for the 1988-89 marketing year (to the end of November 1988), was lower by 9.2 per cent and 16.9 per cent, respectively, compared with the same period last year.

This is attributed officially to what are called the "adverse spill-over effects" of the worst drought in a century that hit India last year. In effect, this means that farmers are not bringing their harvests to the markets because they want to retain stocks for their own consumption or in anticipation of higher prices in future.

IMPORTS OF cereal by 45 developing countries in Africa are expected to decline in the coming year, thanks largely to better harvests in western and southern Africa, Bridget Bloom writes.

However, in the Sudan severe famine is likely among migratory populations while production of cereals and other food crops in both Angola and Mozambique are likely to remain disrupted by civil disturbance.

The UN's Food and Agriculture Organisation, in a new report on crops prospects in sub-Saharan Africa, says that the "excellent" harvests expected in most of the countries of west Africa, including formerly drought-ridden Mali, Niger and Chad, will enable countries to rebuild stocks drawn down in 1988.

Cereal production in the 17 countries of the region is estimated at 24m tonnes, 4m tonnes more than last year.

Across the continent, cereal production for 1987-88 is estimated at 44.5m tonnes, with a further 9.3m tonnes of imports. Of this 4.8m tonnes was commercially imported and the remainder mostly met by food aid.

The FAO believes 1989 import requirements of the 22 countries most reliant on imports could be as low as 4.6m tonnes, with 2.8m tonnes commercially imported.

The farmers are also selling their produce to traders, who have been extremely active in the grain markets and have bought up large quantities of the two harvests in anticipation of higher prices later. They have offered farmers considerably higher prices than the government agencies.

Reserves have fallen mainly because of the needs to supply the public distribution system for foodgrain at subsidised prices in the main urban centres as well as for drought relief programmes

Stocks plunged as a result and are now at their lowest level for more than two decades, during which the country was largely self-sufficient in food and hardly any grain imports were made. The Government was therefore able to build stocks to a record level of over 24m tonnes before last year's drought.

An official committee which examined the food situation in the country about ten years ago recommended that a minimum of 10m tonnes should be maintained as a buffer stock to check inflationary pressures, and said another 7m tonnes were needed for the public distribution system.

Stocks are now well below this level and cannot be increased until the next procurement season that will begin in April next year, when the winter crop, mainly of wheat, is harvested. A bumper crop is expected and so procurement should improve.

However, this means that extra grain will be needed for the public distribution system in the next few months and this is the reason for considering further imports. India imported 2m tonnes of wheat and 600,000 tonnes of rice this year for the first time since self-sufficiency was achieved.

Largely because of a bountiful monsoon last summer, officials expect that the country will achieve a record 170m tonnes of food production in 1988-89. That would be around 4m tonnes higher than the target of 166m tonnes, to achieve which a special "action programme" was drawn up by the Government for the 14 main agricultural states.

WEEKLY METALS

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, 1,950-2,050 (same).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse,6.20-6.50 (6.10-6.25).

CADMIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, ingots 7.00-7.40 (same), sticks 7.00-7.40 (same).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 7.55-7.80 (7.50-7.70).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 285-300 (same).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 3.45-3.50 (same).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 8.90-9.30 (same).

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO, cif, 55-63 (same).

VANADIUM: European free market, min. 98 per cent, VO, cif, 6.20-6.70 (same).

URANIUM: Nuexco exchange value, $ per lb, UO, 14.15 (same).

WORLD COMMODITIES PRICES

LONDON MARKETS

COFFEE prices rose sharply in morning trading, but the rally attracted active selling and the market fell back in the afternoon to close just below Monday's level. Traders said that prices failed to hold gains after New York came under profit-taking pressure early. This unleashed selling on ideas that Monday's New York rally, which was based on strong computer buying, was overdone. The International Coffee Organisation 15-day average indicator is now 115.79 cents a lb, making a 1m bag increase in the total world export quota next week almost certain. Cocoa prices were also firmer in the morning, mainly because of the weakness of sterling. But a lack of buying interest in the physical market, with factory demand slowing ahead of the Christmas holiday, contributed to a reversal in the afternoon, as did bearish charts.

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$12.42-2.57q	+0.05
Brent Blend	$14.80-4.90q	-0.03
W.T.I. (1 pm est)	$16.05-6.09q	+0.14
Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$171-174	+1
Gas Oil	$146-147	+1
Heavy Fuel Oil	$69-71	
Naphtha	$133-135	-1
Petroleum Argus Estimates		
Other		+ or -
Gold (per troy oz)♣	$420.50	+0.75
Silver (per troy oz)♣	617c	+3
Platinum (per troy oz)	$590.75	+4.25
Palladium (per troy oz)	$128.5	+1.0
Aluminium (free market)	$2455	-95
Copper (US Producer)	168½-171	-¼
Lead (US Producer)	41¾c	
Nickel (free market)	720c	-10
Tin (European free market)	£4092.5	+25.0
Tin (Kuala Lumpur market)	19.71r	+0.07
Tin (New York)	344.0c	
Zinc (Euro. Prod. Price)	$1500	
Zinc (US Prime Western)	72¾c	
Cattle (live weight)†	116.53p	+1.82*
Sheep (dead weight)†	169.27p	-3.20*
Pigs (live weight)†	80.49p	+0.09*
London daily sugar (raw)	$294.6z	-1.6
London daily sugar (white)	$302z	-2
Tate and Lyle export price	£270.5	
Barley (English feed)	£114q	
Maize (US No. 3 yellow)	£131	+2
Wheat (US Dark Northern)	£119v	
Rubber (spot)♥	58.75p	-1.50
Rubber (Jan)♥	63.5p	-1.5
Rubber (Feb)♥	64.25p	-1.50
Rubber (KL RSS No 1 Jan)	296.5m	-1.5
Coconut oil (Philippines)§	$570z	
Palm Oil (Malaysian)§	$400.0	-2.5
Copra (Philippines)§	$385	
Soyabeans (US)	$180.5q	+0.5
Cotton "A" index	62.30c	+0.45
Wooltops (64s Super)	616p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. z-Dec/Jan. w-Feb. v-Apr/May. u-Mar. q-Jan. †Meat Commission average fatstock prices. * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg.

COCOA £/tonne

	Close	Previous	High/Low
Dec	799	797	808 797
Mar	828	825	838 821
May	834	827	839 827
Jul	840	833	844 835
Sep	841	836	843 839
Dec	865	860	865 861
Mar	875	872	876 870

Turnover: 4020 (4602) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Dec 12: 1090.42 (1088.33):10 day average for Dec 13: 1105.89 (1110.10) .

COFFEE £/tonne

	Close	Previous	High/Low
Jan	1110	1115	1125 1108
Mar	1117	1120	1130 1116
May	1109	1111	1119 1108
Jly	1109	1112	1119 1108
Sep	1113	1120	1122 1115
Nov	1115	1110	1115

Turnover:3053 (2919) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Dec 12: Comp. daily 116.98 (117.18); . 15 day average 115.79 (115.51).

SUGAR ($ per tonne)

Raw	Close	Previous	High/Low
Mar	262.60	266.20	266.40 261.40
May	252.80	256.60	256.60 252.00
Aug	244.40	247.00	246.40 243.80
Oct	239.60	242.60	241.60 238.20
Dec	235.60	238.00	238.00
White	**Close**	**Previous**	**High/Low**
Mar	293.00	295.00	295.00 291.50
May	288.50	291.00	291.20 288.00

Turnover: Raw 3967 (6551) lots of 50 tonnes. White 1011 (1895).
Paris- White (FFr per tonne): Mar 1750, May 1730, Aug 1730, Oct 1675, Dec 1670, Mar 1670

LONDON METAL EXCHANGE TRADED OPTIONS

Aluminium (99.7%)	Calls		Puts	
Strike price $ tonne	Jan	Mar	Jan	Mar
2300	187	186	13	88
2400	95	134	40	134
2500	45	94	90	191
Copper (Grade A)	**Calls**		**Puts**	
2900	341	273	32	206
3000	265	226	56	258
3200	145	153	135	380

COTTON
Liverpool- Spot and shipment sales for the week ending December 9 amounted to 384 tonnes, against 853 tonnes in the previous week. Trading was very low during the week with only small interest in Turkish and West African growths.

JUTE
C and F Dundee BTC $475, BWC $465, BTD $425, BWD $435, C and F Antwerp BTC $455, BWC $445, BWD $400, BTD $410.

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open Interest
Aluminium, 99.7% purity ($ per tonne)						Ring turnover 14,400 tonne
Cash	2480-5	2530-40		2455-8		
3 months	2400-5	2450-5	2420/2380	2392-5	2405-10	23,997 lots
Aluminium, 99.5% purity (£ per tonne)						Ring turnover 4,950 tonne
Cash	1325-35	1340-50		1330-5		
Dec. 21	1305-10	1330-5		1305-10		6,864 lots
Copper, Grade A (£ per tonne)						Ring turnover 58,700 tonne
Cash	1846-53	1925-30	1895/1848	1883-4		
3 months	1642-3	1688-4	1657/1640	1656-7	1641-3	89,871 lots
Silver (US cents/fine ounce)						Ring turnover 0 ozs
Cash	611-4	612-5		610-2		
3 months	625-8	626-8		624-6		487 lots
Lead (£ per tonne)						Ring turnover 4,725 tonne
Cash	396-8	398-400	400/399	399-400		
3 months	386-7	389-90	388/385	388-8.5	386-7	11,541 lots
Nickel ($ per tonne)						Ring turnover 792 tonne
Cash	15800-900	16450-500	16000	15900-50		
3 months	14500-50	14800-900	14700/14200	14675-700	14450-500	5,413 lots
Zinc, Special High Grade ($ per tonne)						Ring turnover 503 tonne
Cash	1535-45	1545-50		1536-7		
3 months	1495-500	1520-5		1495-500	1495-500	1,634 lots
Zinc ($ per tonne)						Ring turnover 11,850 tonne
Cash	1540-5	1545-50	1534/1530	1533-5		
3 months	1480-5	1496-500	1485/1485	1470-5	1480-2	12,046 lots

POTATOES £/tonne

	Close	Previous	High/Low
Feb	66.0	66.0	
Apr	93.5	95.5	96.5 93.2
May	109.3	111.2	110.5 109.0

Turnover 375 (74) lots of 40 tonnes.

SOYABEAN MEAL £/tonne

	Close	Previous	High/Low
Feb	160.00	161.00	160.00
Apr	162.00	162.50	162.00
Jun	152.00	153.00	152.00

Turnover 58 (103) lots of 20 tonnes.

FREIGHT FUTURES $10/index point

	Close	Previous	High/Low
Dec	1525	1525	1531 1525
Jan	1553	1548	1555 1550
Apr	1594	1563	1595 1590
Jul	1391	1389	1400 1391
BFI	1518	1514	

Turnover 244 (194)

GRAINS £/tonne

Wheat	Close	Previous	High/Low
Jan	110.35	110.80	110.45 110.20
Mar	114.05	114.60	114.25 114.00
May	117.20	117.70	117.40 117.10
Jun	118.60	119.10	118.60
Nov	104.85		104.85 104.75

Barley	Close	Previous	High/Low
Jan	107.45	107.80	107.70 107.45
Mar	110.85	111.35	111.25 110.85
May	112.90	113.40	112.95 112.90
Nov	102.50		102.50

Turnover: Wheat 114 (109) , Barley 191 (175) .
Turnover lots of 100 tonnes.

LONDON BULLION MARKET

Gold (fine oz)	$ price	£ equivalent
Close	420¼-420¾	229¾-230¼
Opening	419½-420	228½-229
Morning fix	420.05	229.385
Afternoon fix	420.50	229.781
Day's high	420¾-421¼	
Day's low	419½-420	

Coins	$ price	£ equivalent
Mapleleaf	433-438	237-240
Britannia	433-438	237-240
US Eagle	433-438	237-240
Angel	431-436	235¾-238½
Krugerrand	420-423	230-232
New Sov.	99-100	54-54¾
Old Sov.	99-100	54-54¾
Noble Plat	596.55-608.40	325.10-330.45

Silver fix	p/fine oz	US cts equiv
Spot	335.30	614.10
3 months	345.85	628.00
6 months	356.85	642.20
12 months	377.95	671.40

CRUDE OIL $/barrel

	Close	Previous	High/Low
Feb	14.59	14.58	14.72 14.58
Mar	14.64	14.43	14.64
IPE Index	14.61	14.46	

Turnover: 1617 (1106)

GAS OIL $/tonne

	Close	Previous	High/Low
Jan	143.50	143.50	145.00 143.00
Feb	140.50	141.00	142.00 140.00
Mar	136.50	136.50	137.25 136.00
Apr	131.25	132.00	132.50 131.00
May	129.00	128.75	128.75 128.50
Jun	127.00	126.25	127.25 126.00
Jul	126.50	126.50	126.50 125.50

Turnover 4009 (4579) lots of 100 tonnes

US MARKETS

IN THE METALS, trading was again light as many await the trade figure, reports Drexel Burnham Lambert. Copper futures had the most active day as news of a partial settlement in the miners strike was noted. Prices sank 600 points in the March contract. In the softs, cocoa futures were again lower as fund and some trade selling weakened prices. March/May switches were heavily traded in the day. Coffee prices were firm on mostly speculative buying. Sugar futures were lower but recent support and resistance levels were not broken. The grain markets all had quiet days. Soybeans and wheat futures were both slightly lower while corn was firm. In the meats, cattle prices were slightly lower due mostly to profit-taking. Slow carcass beef trade may also be a factor in the hog and belly markets, carryover technical buying offset the profit-taking. Expectation that large hog runs will be ending now was noted. Cotton futures were sharply lower as Mondays crop report was felt to be bearish. Trade groups were the days best sellers in moderate volume. Crude oil contiued to trade in the same range of the last three days, waiting for some fundamental news to indicate either higher or lower prices.

New York

GOLD 100 troy oz.; $/troy oz.

	Close	Previous	High/Low	
Dec	419.8	420.1	421.2	419.5
Jan	421.8	422.4	0	0
Feb	424.1	424.6	425.6	423.3
Apr	429.7	430.1	431.0	429.0
Jun	435.3	435.7	436.5	435.0
Aug	441.1	441.5	442.0	441.3
Oct	446.8	447.2	0	0
Dec	452.6	452.9	454.0	452.0
Feb	424.1	424.6	425.6	423.3

PLATINUM 50 troy oz; $/troy oz.

	Close	Previous	High/Low	
Jan	590.0	589.1	594.5	587.0
Apr	587.0	586.6	591.5	586.0
Jul	586.0	585.5	590.0	586.5
Oct	587.0	586.6	591.0	586.0
Jan	588.5	589.1	0	0

SILVER 5,000 troy oz; cents/troy oz.

	Close	Previous	High/Low	
Dec	616.8	616.9	615.0	614.0
Jan	619.6	619.9	0	0
Feb	624.3	624.6	0	0
Mar	629.5	629.8	631.5	626.0
May	639.6	639.9	641.0	636.5
Jul	650.4	650.5	651.5	649.0
Sep	660.9	661.0	661.5	659.0
Dec	676.5	676.6	676.5-	673.0
Jan	680.9	681.2	0	0

COPPER 25,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	152.00	156.50	156.10	151.65
Jan	142.00	149.00	143.00	142.00
Feb	134.25	140.50	0	0
Mar	129.00	135.30	132.00	128.20
May	121.20	127.20	124.00	121.10
Jul	118.20	124.30	121.70	118.20
Sep	115.20	121.50	118.50	116.00
Dec	111.70	118.00	116.00	112.50

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
Jan	15.94	16.06	16.17	15.90
Feb	15.49	15.72	15.75	15.45
Mar	15.27	15.54	15.55	15.26
Apr	15.17	15.43	15.42	15.14
May	15.05	15.38	15.35	15.04
Jul	15.10	15.34	15.31	15.05
Aug	15.23	15.32	15.26	15.23
Sep	15.28	15.30	15.28	15.28

HEATING OIL 42,000 US galls, cents/US galls

	Latest	Previous	High/Low	
Jan	4945	5020	5020	4935
Feb	4855	4947	4940	4845
Mar	4615	4698	4695	4610
Apr	4375	4441	4450	4370
May	4235	4300	4305	4235
Jun	4200	4230	4240	4180
Jul	4200	4215	4225	4200
Aug	4270	4266	4270	4270
Sep	4345	4335	4345	4345

COCOA 10 tonnes;$/tonnes

	Close	Previous	High/Low	
Dec	1360	1365	1360	1345
Mar	1378	1397	1405	1373
May	1392	1406	1412	1386
Jul	1402	1411	1417	1398
Sep	1412	1416	1413	1408
Dec	1425	1437	1439	1419
Mar	1440	1448	1440	1440
May	1457	1463	0	0

COFFEE "C" 37,500lbs; cents/lbs

	Close	Previous	High/Low	
Dec	130.50	130.50	132.25	130.00
Mar	128.82	129.43	130.70	128.70
May	126.40	126.95	127.95	126.30
Jul	124.57	125.88	126.65	124.50
Sep	123.61	124.70	125.35	124.50
Dec	122.50	122.00	124.50	124.50
Mar	120.25	121.66	0	0
May	120.00	119.62	0	0

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	9.60	10.01	9.90	9.85
Mar	11.64	11.83	11.74	11.54
May	11.17	11.36	11.26	11.10
Jul	10.86	11.08	11.01	10.85
Oct	10.62	10.74	10.69	10.56
Jan	9.54	9.86	0	0
Mar	10.35	10.46	10.41	10.41
May	10.14	10.25	0	0

COTTON 50,000; cents/lbs

	Close	Previous	High/Low	
Mar	57.56	59.19	58.62	57.19
May	57.90	59.56	59.00	57.60
Jul	58.18	59.77	59.20	57.90
Oct	57.05	58.65	58.30	57.00
Dec	57.30	58.45	57.95	56.90

ORANGE JUICE 15,000 lbs; cents/lbs

	Close	Previous	High/Low	
Jan	167.30	168.50	169.25	167.00
Mar	164.60	165.20	165.90	164.30
May	165.00	165.20	165.40	164.50
Jul	165.00	165.70	166.25	164.50
Sep	164.50	164.70	164.00	164.00
Nov	163.85	164.25	162.60	162.50
Jan	158.90	159.25	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Dec 12	Dec 9	mnth ago	yr ago
1903.5	1900.0	1868.7	1661.5

DOW JONES (Base: Dec. 31 1974 = 100)

Spot	137.97	137.18	135.73	132.88
Futures	141.95	141.79	138.66	134.31

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Close	Previous	High/Low	
Jan	765/4	769/2	767/0	758/0
Mar	777/6	781/6	778/4	770/0
May	782/6	786/0	784/0	776/4
Jul	780/4	785/4	782/0	774/4
Aug	770/2	775/0	771/0	766/0
Sep	728/4	730/0	730/0	725/0
Nov	697/4	701/0	699/4	695/4
Jan	704/0	707/0	708/4	704/0

SOYABEAN OIL 60,000 lbs; cents/lb

	Close	Previous	High/Low	
Dec	22.95	23.38	23.20	22.75
Jan	23.05	23.53	23.35	22.86
Mar	23.54	24.08	23.90	23.35
May	24.03	24.57	24.35	23.90
Jul	24.50	25.05	24.85	24.35
Aug	24.60	25.10	24.95	24.66
Sep	24.72	25.17	25.00	24.65
Oct	24.75	25.20	24.75	24.65

SOYABEAN MEAL 100 tons; $/ton

	Close	Previous	High/Low	
Dec	243.9	243.8	244.0	241.6
Jan	245.1	244.8	245.2	242.5
Mar	244.7	244.7	245.0	242.3
May	242.2	243.2	242.6	240.0
Jul	237.5	238.5	238.0	235.0
Aug	228.0	229.0	232.0	228.0
Sep	221.0	220.0	222.0	220.0
Oct	210.5	209.0	211.0	208.0

MAIZE 5,000 bu min; cents/56lb bushel

	Close	Previous	High/Low	
Dec	265/2	261/4	265/4	259/0
Mar	275/4	272/2	275/6	269/6
May	281/0	277/0	281/2	275/0
Jul	282/6	279/2	283/0	277/4
Sep	265/4	263/4	266/0	262/4
Dec	260/2	258/6	260/6	256/0
Mar	266/4	264/4	265/4	264/0

WHEAT 5,000 bu min; cents/60lb-bushel

	Close	Previous	High/Low	
Dec	427/0	428/4	428/0	423/0
Mar	427/6	429/0	428/0	424/0
May	412/4	411/4	412/4	406/4
Jul	386/6	384/4	387/0	383/0
Sep	389/4	387/4	390/0	387/0
Dec	398/6	397/0	398/6	396/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Close	Previous	High/Low	
Dec	72.45	72.42	72.80	72.15
Feb	72.05	72.15	72.22	71.85
Apr	74.07	74.15	74.20	73.75
Jun	73.05	73.00	73.20	72.70
Aug	71.05	71.05	71.10	70.75
Sep	69.60	69.60	0	0
Oct	70.05	70.00	70.20	69.80
Dec	71.20	71.25	71.20	70.75

LIVE HOGS 30,000 lb; cents/lbs

	Close	Previous	High/Low	
Dec	42.62	42.77	42.86	42.30
Feb	46.05	45.87	46.20	45.65
Apr	45.00	44.62	45.22	44.55
Jun	49.42	48.45	49.65	48.50
Jul	49.30	48.82	49.87	48.70
Aug	48.30	48.20	48.70	48.10
Oct	45.10	45.10	45.50	46.00
Dec	46.40	46.40	46.40	46.00

PORK BELLIES 38,000 lbs; cents/lb

	Close	Previous	High/Low	
Feb	44.72	44.60	44.82	43.90
Mar	45.05	45.07	45.15	44.40
May	47.17	46.95	47.25	46.20
Jul	48.05	48.00	48.15	47.45
Aug	47.05	46.96	47.25	46.70
Feb	57.50	56.00	57.50	56.35
Mar	56.00	56.00	56.00	0

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LONDON STOCK EXCHANGE

Share rally fades in late dealings

A SUCCESSFUL rally in the UK stock market, sparked off by a belatedly favourable response to the fall in domestic retail sales last month, ran into the sand yesterday when news of a jump in US retail sales in November sent the dollar ahead and revived fears that interest rates might rise on the other side of the Atlantic.

UK equities rose smartly in the first half of the session, encouraged also by comments from Mr Nigel Lawson, the UK Chancellor of the Exchequer, who advised questioners at a by-election meeting "not to count on" further tax cuts in the next Budget. He added that there were already some signs of a slowdown in consumer spending.

Account Dealing Dates

*First Dealings:		
Nov 28	Dec 12	Dec 26
Option Declarations:		
Dec 8	Dec 22	Jan 12
Last Dealings:		
Dec 9	Dec 23	Jan 13
Account Day:		
Dec 19	Jan 9	Jan 23

*New time dealings may take place from 8.30 am two business days earlier

While neither development would be entirely good for equities, they would reduce inflationary pressures, and thus encourage hopes that upward pressure on domestic interest rates may not be prolonged.

However, yesterday's US retail sales figures, followed by a weak start on Wall Street and in the New York bond market, quickly cut the ground from under London equities. By the end of the session, an early gain of 15 points on the FT-SE Index had been reduced to a net rise of 4.7 at 1752.6.

Market analysts were pleased to see equities steady at the T-SE 1750 mark, but agreed that turnover is still disappointing. Seaq volume total of 473.9m shares, against 480.7m on Monday, was helped by two small programme trades - one buy and one sell operation — but again took in a good deal of intra-market trade.

London remained very nervous ahead of today's announcement of the US trade figures for October, for which London analysts predict little change in the $10.5bn deficit recorded in September. The 1.1 per cent gain in US retail sales for November disclosed yesterday was about twice the estimates of analysts in the UK. Worry over international rates is heightened by the current meeting of the US Federal Reserve Open Market Committee and tomorrow's press conference at the West German Bundesbank.

The dollar's firmness helped some of the export blue chips. There was strong demand for oil shares, with the majors bought on a yield basis and the second line stocks featured by Premier Oil, which confirmed an oil find in the Gulf of Thailand.

The market remained so convinced that BP will soon disclose the sale of its mineral interest to RTZ that some traders suggested that BP will use the proceeds, which would be around $3.5bn, to buy back shares from the Kuwait Investment Office which is required by the UK Monopolies and Mergers Commission to reduce its BP stake from just under 22 per cent to below 10 per cent.

FINANCIAL TIMES STOCK INDICES

	Dec. 13	Dec. 12	Dec. 9	Dec. 8	Dec. 7	Year Ago	1988 High	1988 Low	Since Compilation High	Since Compilation Low
Government Secs	86.65	86.79	86.77	86.97	87.24	87.98	91.43 (18/4)	86.28 (12/9)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Interest	95.81	96.65	96.67	96.50	96.55	96.05	98.67 (25/5)	94.14 (8/1)	105.4 (28/11/47)	50.53 (3/1/75)
Ordinary	1425.7	1422.4	1429.4	1437.1	1451.0	1332.0	1514.7 (8/8)	1349.0 (8/2)	1928.2 (16/7/87)	49.4 (26/6/40)
Gold Mines	173.2	174.6	176.8	176.7	177.6	327.5	312.5 (7/1)	162.7 (22/9)	734.7 (15/2/83)	43.5 (28/10/71)

Ord. Div. Yield	5.15	5.16	5.12	5.09	4.99	4.70
Earning Yld %(full)	13.01	13.02	12.93	12.86	12.65	11.74
P/E Ratio(Net)(:)	9.28	9.26	9.33	9.38	9.55	10.43
SEAQ Bargains(3pm)	20,394	21,833	27,848	22,759	21,657	21,238
Equity Turnover(£m)†	-	929.44	1106.75	1007.63	883.63	1130.65
Equity Bargains†	-	23,569	28,295	24,040	21,601	24,017
Shares Traded (ml)†	-	391.4	558.9	472.1	402.7	555.2

Ordinary Share Index, Hourly changes

●Opening	●10 am.	●11 am.	●12 pm.	●1 pm.	●2 pm.	●3 pm.	●4 pm.
1419.9	1427.0	1434.0	1431.2	1427.4	1423.6	1421.5	1425.0

DAY'S HIGH 1434.0 DAY'S LOW 1419.9

Basis 100 Govt. Secs 15/10/26, Fixed Int. 1928, Ordinary 1/7/35, Gold Mines 12/9/55, SE Activity 1974, ‡Nil 9.23 †Excluding intra-market business.

● S.E. ACTIVITY

Indices	Dec. 12	Dec. 9
Gilt Edged Bargains	88.0	86.2
Equity Bargains	152.7	183.3
Equity Value	1976.6	2237.0
5—Day average		
Gilt Edged Bargains	94.5	94.6
Equity Bargains	153.8	158.6
Equity Value	1897.5	1916.4

● London Report and latest Share Index: Tel. 0898 123001

TRADING VOLUME IN MAJOR STOCKS

The following is based on trading volume for Alpha securities dealt through the SEAQ system yesterday until 5 pm.

Stock	Volume 000's	Closing Price	Day's change
ASDA Group	5,000	134	-1
Abbey Life	2,000	278½	-3
Allied-Lyons	1,300	441	-2
Amstrad	1,200	152½	+2½
Argyll Group	1,000	183	-1
Ass. Brit. Foods	177	259	+3½
BAA	1,400	257	-1
BAT	2,850	441	+7½
BET	1,300	220	-2
BICC	236	176	-2
BOC	2,500	392	-5
BPB Ind.	2,300	217	-3
BTR	2,000	289	+1
Barclays	2,500	404	+3
Ross	599	765	+7
Beazer	228	166	
Beecham	1,000	461	+2½
Blue Arrow	2,100	83½	
Blue Circle	352	417	
Boots	1,000	274	+1
British Airways	833	158	+1
Brit. Aerospace	948	434	+3
Brit. & Comm.	443	209	-2
British Gas	11,000	159½	+½
British Land	1,000	327	-2
BP	5,000	253	+2½
British Telecom	4,186	253½	+½
Burmah Oil	2,000	475	-6
Burton	2,100	184	+3
Cable & Wireless	976	344	
Cadbury Schweppes	2,400	220	-1
Coats Viyella	1,400	147½	-1½
Commercial Union	1,700	327	+3
Cons. Gold Fields	163	412½	-½
Courtaulds	1,700	246	-3
Courtaulds	535	245½	-1½
Dalgety	274	289	+5
Distillers	2,500	136	
Eng. China Clays	996	440	+4
Enterprise Oil	139	489	+3
FKI Babcock	1,400	116	-1
Fisons	1,900	235	+1
Gateway Corp.	8,200	155	+3½
General Accident	857	995	+8
General Elect.	11,000	184	+6
Glaxo	1,400	1,081	-1
Glynwed Int.	1,000	137½	-½
Grand Met.	693	253	+11
Grand Met.	1,400	317	
GKN	1,000	435½	-2½
GRE A	300	115	-1
GRE	544	177	-1
GUS	545	265½	+2½
Guinness	738	328	+2
Hanson	446	180	+10
Hanson "A"	4,900	149½	+½
Harrison & Cros.	120	133	-7
Hawker Siddeley	835	514	+4
Hillsdown Hldgs.	1,757	232	-2
ICI	1,575	177	+6
Imp. Chem.	782	985	+7
Inchcape	344	192½	-2
Jaguar	125	259	-2
Ladbroke	2,608	424	+5
Land Securities	1,500	554	+6
Lasmo	856	360	-8
Legal & General	952	281½	-1½
Lloyds Bank	3,300	314	-7
LASMO	225	448	+4
Lonrho	4,195	144	-1
Lucas	2,000	527	+11
MB Group	1,500	235	
MEPC	1,400	538	+1
Marks & Spencer	2,608	143	+2
Maxwell Comm.	936	193	-1
Midland Bank	159	402½	-1½
Nat. West. Bank	514	514	-4
Ocean	5,400	130	+1
Northern Foods	227	281	+2½
Pearson	274	631	+5
Pearl	676	379	-5
P & O	647	534	+5
Pilkington	1,500	194½	+1½
Plessey	3,915	213½	-1½
Prudential	3,500	147½	+½
Racal	1,000	249	-4
Rank Org.	449	678	+7
RMC	1,000	475	+3
RSM	395	348	+1
Reckitt & Colman	94	406	+3
Redland	658	389	
Reed International	2,958	342	
Reuters "B"	1,575	477	
RTZ	3,300	489	-18
Rolls Royce	1,000	126½	+1
Rothmans	503	411	+2
Royal Bk. of Scotland	382	338	
Royal Insurance	1,100	380	+3
SIB	711	263½	-½
Scottish & Newcastle	1,270	212½	-1
Sainsbury	636	190½	-1
Scott & Newcastle	628	387	-2
Sears	4,700	109	-½
Shell Transport	5,200	336	+5
Sedgwick	427	362	+1
Sketchley	244	203	+2
Smith & Nephew	1,300	111½	+½
Standard Chartd.	2,000	482	+7
Sturdecent	1,000	189	+1
Sun Alliance	463	695	+8
T&N	97	159	+2
TSB	1,180	106	
Tarmac	1,000	216½	
Tate & Lyle	195	698	+1
Tesco	300	131	-1
THORN EMI	264	697	
Trafalgar House	1,600	291½	+3½
Trusthouse Forte	2,900	247	-2
Ultramar	998	225	+4
Unilever	1,100	443	-3
United Biscuits	898	269	+2
Utd. Newspapers	575	569	-3
Wellcome	1,100	403	
Whitbread "A"	269	269	+3
Williams Hldgs.	1,000	217	
Willmott	2,500	251	-1½
Woolworth Hldgs.	918	228	+1

GEC bid stories revive

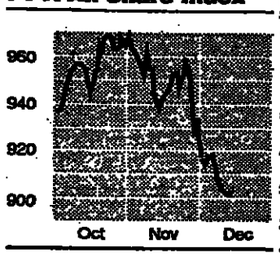
Electronics leader GEC was one of the day's most active stocks as the market picked up fresh hints of a possible bid for the group and also the news that the GEC/Siemens joint bid for Plessey is to be formally investigated by the European Commission (EC). GEC shares made strong progress to close 6 higher at 184p. Turnover of 11m was boosted by a single trade of 5m at 174½p, said to be the completion of a "bed and breakfast", or tax loss deal, initiated on Monday afternoon. Plessey, unsettled by the EC reference, were 2 easier at 213p on turnover of 4m.

Buyers were in for GEC at the outset, with one securities house said to have been an aggressive buyer of the shares as the bid stories did the rounds. Talk of a bid for GEC, perhaps from either a European consortium or one of the US electronics giants, has been around for some time.

Yesterday's speculation was, firstly, the old story that Hanson, which recently increased its borrowing powers, could be interested in launching an offer for the company. A later angle was that a consortium of Plessey, British Aerospace and one other company was about to make an offer for GEC. One electronics analyst shrugged aside the Hanson talk, but did not dismiss the consortium bid story.

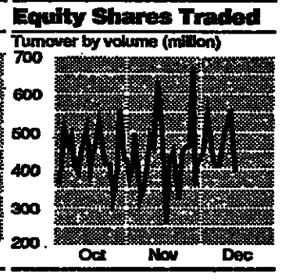
News of the formal investigation by the European Commission of the joint bid for Plessey on competition grounds came as no great surprise to the market.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million)



Last BAT hurdle

BAT Industries began to attact renewed investment interest following clearance of the last regulatory hurdle to its bid for the US Farmers group. Insurance officials in the US State of Oregon have reversed their orginal decision to veto the offer, and all that remains new is for Farmers' shareholders to approve the proposed takeover at a special meeting to be held in Los Angeles today.

Most analysts have a high regard for the stock and several re-issued buy recommendations, although a US credit agency has seen fit to downgrade BAT Industries' debt rating because of the impact of the acquisition. Buyers were undeterred by mid-session uncertainty which pared the good rises in most blue chip issues, and BAT shares settled 7½ up at near the day's highest of 441p. Marketmakers reported steady rather than sustained inquiry as turnover increased to 2.9m shares.

BP active

The stories that BP is about to sell its minerals division to RTZ for a massive $3.5bn gained in strength as the day wore on and BP shares responded to talk that any such move would produce an immediate 10 per cent upturn in its shares. The "old" closed 2½ up at 253pm after 254½p with turnover expanding to 5.6m. The "new" were even more active - some 11m changed hands as the shares rose 3 to 151½p, after 152p. But the speculation caused another run on RTZ shares which tumbled 18 to 389p.

International stocks had a subdued day, following the wider market and struggling to find any real direction. Glaxo fell 9 to 1024p in trade of 1.4m shares. Recent broker's downgradings have depressed sentiment. ICI rose 7 to 985p, helped by the weakness of sterling against the DM, although turnover was again thin at less than 800,000 shares. Beecham was 2½ better at 461p on talk of a New York seminar.

According to the analysts at Kleinwort Benson Research, shares in Wellcome, unchanged yesterday at 401p, have now declined by nearly 17 per cent against the All-Share index over the last two months. The analysts recommend underweight funds to exploit this weakness and move to a neutral position.

Smith and Nephew, well rated after recent results, also finds favour with the Kleinwort team. In their latest Investors' Brief published today, Ian White and Barbara Arzymanow have upgraded their stance on the shares to 'buy'. Technical factors lie behind the change - the shares have underperformed by some 20 per cent since the beginning of 1988 and now stand at a relative price low. Smith & Nephew's recent £126m acquisition of Ioptex is seen as sensible and likely to make an immediate contribution to earnings per share.

BOC continued to be marked down, closing another 5 lower at 391p, while Hanson edged forward to 149½p despite some profit-taking by institutions. ADT rose 2½ to 117½p amid talk of US buying after a a New York presentation.

Shell were not far behind BP and pushed up 5 to 336p on turnover of 5.5m — "a belated reaction to Monday's scrip issue," one trader observed.

British Gas — turnover 11m — were a firm market and edged higher to 159½p, after 162p. Premier highlighted the smaller oils, racing up 5 to 59½p, after 61p, on news of the exciting oil discovery off the coast of Thailand, news of which was followed by a meeting of the company and energy analysts. Philip Lambert at Kleinwort Benson says the Thailand block "is as large as 40 North Sea blocks and could add 50 per cent to Premier's proven reserves".

Life assurances gave further ground with dealers expecting the Securities and Investments Board to issue its discussion document on disclosure today. Pearl came under heavy pressure and fell to 374p at one point before closing a net 6 down at 379p; the early selling followed the death of Mr Larry Adler, chairman of Australia's FAI insurance group, which has built up a stake of around 12 per cent in Pearl.

Insurance brokers featured sustained selling of Bradstock which fell to 174p before closing 17 down at 171p ahead of full-year figures expected on Thursday; BZW is forecasting pre-tax profits of £6.5m against last time's £6.6m. Lloyd Thompson suffered in sympathy and dropped 8 to 182p.

Marley, the building materials group, staged a determined and strong advance, closing 9½ higher at 146p in extremely heavy trading, as bid speculation returned to the shares. Yesterday brought stories that a bid for the group is imminent and names such as Australia's Boral group and UK plasterboard group BPB were mentioned as likely predators.

Stores saw some big trade with dealers saying that the sector would remain volatile until the New Year as the direction of retail sales changes from day to day. Next, up a penny at 130p after a high of 134p, continued to attract interest as analysts tried to shed light on prospects for the company.

Fine Art Developments rose 13 to 212p following its agreement with Otto Versand, Hamburg, the world's largest mail order operator, to establish a joint operation. The company issued 3.7m ordinary shares at 216p to Otto Versand as part of the deal. Ratners' rights issue to help finance purchases from Next attracted a poor response — of the 48m shares offered only about 35 per cent were taken up, with the balance going to the underwriters. The shares closed down 4 at 165p with County NatWest Woodmac saying that it was sticking with its £117m forecast for next year.

Storehouse, up a penny at 189p in turnover of 1.8m, helped by continued speculative interest. The company said that it was aware of INOCO'S 4 per cent stake, but would not comment on its implications. Dealers poured cold water on it with a terse: "no genuine holding — its all speculation". Meanwhile INOCO, up 4 at 40p, announced that it is involved in talks with another company which may lead to a bid.

Interim figures from the two Racal companies, Electronics and Telecom were in line with estimates. The latter's shares picked up 2½ to 161½p on turnover of 3.3m, supported by good demand for the ADR's and what was said to have been a mildly bullish post-figures meeting between the company and analysts.

But Racal Electronics shares came under modest pressure and closed 4 down at 259p; Kleinwort Benson shaded its full-year forecast from £190m to £185m, "on the grounds that one of two specific areas were slightly below expectations," according to analyst Chris Tucker.

Lucas rose 11 to 527p; the company proposes to issue £100m-worth of bonds due 2020. Rolls-Royce, up a penny at 126½, said that they will co-operate with Alfa Romeo Avio Spa on the latest Tay turbofan aircraft engine project. Vickers rose 13½ to 158½p with a Cabinet committee decision on the future of the Challenger tank expected before Christmas.

The food sector, set alight early on by a programme trade, fell back on US retail sales figures which increased fears about growth in the rate of inflation. Gateway rose 3½ to 155p in turnover of 7m on the back of a top-of-the-range 23 per cent increase in pre-tax profits at the half-way stage. The company also plans to buy in up to 10 per cent of its equity, some 80m shares.

Bejam held on to early gains to finish 4 better at 154p, unlike Tesco which lost a penny to 131p on a substantial late "switch" into Asda.

Suter tumbled as the surprise Ladbroke bid for Thomson T-Line put its proposed merger with Thomson in doubt. The Ladbroke offer is conditional on Thomson shareholders rejecting the bid for Suter, which closed 11 down at 187p. Thomson moved up 13 more to 90p on thoughts that Ladbroke would have to increase the offer of 80p cash per share to win control.

English China Clays, so often the beneficiary of RTZ bid speculation, responded to higher-than-expected annual profits, while Smiths Industries gained 9 to 247p after the chairman spoke of "continued confidence in the outlook this year" at yesterday's annual meeting. Poor preliminary figures lowered Kleen-E-Ze 55 to 340p but the divestment of certain non-core activites lifted Oakwood 17 to 428p. USM-listed Creighton Laboratories fell 7 to 365p, the excellent interim results having been discounted, and Havelock Europa dropped 15 further to 170p, still on the abysmal half-year statement.

The property sector had a better day than of late with dealers reporting, "legitimate business between clients that provided better volumes". Land Securities rose 6 to 554p.

Bid speculation in Mountleigh, refuelled by the sale of its 7.3m share stake in Wembley, was heightened by news later in the day that Galerias Consortium had not taken up its option to buy 16.7m Mountleigh shares. The move leaves Galerias with an interest in 30.3m (13.9 per cent) of Mountleigh stock.

Trade in Mountleigh, up 5½ at 159p, was brisk and left one dealer saying: "There is definitely more in this than meets the eye."

Depressing first-half profits coupled with a cash call for £4.7m — a rights issue of convertible preference shares is proposed — upset Aitken Hume, the financial services group. The ordinary shares retreated to a new 1988 low point of 49p, down 5. Smith New Court similarly slipped to the year's worst of 135p, a fall of 9, reflecting fears over the continuing low level of market activity.

Awaiting the next move by Bond Corporation, which is expected soon, Lonrho shares fluctuated narrowly in smaller volume of 4.2m before closing just a penny easier at 344p. Mr Alan Bond gave few hints of his intentions towards the UK group — he is the major shareholder with a 21.5 per cent stake — to the financial press at a meeting held in London yesterday.

Turnover in traded options was again dominated by the rise of FT-SE 100 index trading, which covered almost a quarter of all dealings. Overall dealings totalled 32,157 contracts, consisting of 17,721 calls and 14,436 puts. Dealings in the index came to 2,359 contracts on the call side, and to 5,469 on the put.

■ Other market statistics, including FT-Actuaries Share Index and London Traded Options, Page 27

NEW HIGHS AND LOWS FOR 1988

NEW HIGHS (10).
BANKS (1) C'ltgn. Hbk., STORES (1) Liberty, ELECTRICALS (1) GEC, INDUSTRIALS (4) Alle-Laval 'B', Marling Ind., Nu-Swift, Sanders & Sidney, TRUSTS (2) Archimedes Inc., Korea Europe, MINES (1) Ros. Plat.
NEW LOWS (133).
BRITISH FUNDS (17) CORPORATION LOANS (1) GLC 6¼pc '90-92, LOANS (1) N'wide 11¾pc 29.8.99, CANADIANS (3) Am Barrick Res., Galactic Res., Gandalt Tech. Inc., Granges Exp., Nevada Goldfields, BANKS (2) Nat. West., Union Discount, BUILDINGS. (4) AMEC 6.5p Cm Cv Pf., Arthur Shaw, Bucknall Austin, Harrison Inds., STORES (11) ELECTRICALS (8) Goring Kerr, Memory Comp., Neotronics, Nokia, Sherwood Comp., VG Instr., ENGINEERING (3) Alnship Inds., Davies & Met., Rotork, FOODS (1) Norfok, INDUSTRIALS (28) Alexander (W.), Avon Rubber, Berisfo Grp., Bear Brand Wrmts., Bluebird Toys, CH Inds., Carbo, Cresta Hldgs., Hartons, Havelock Europe, Jourdan (T.), Kleen-E-Ze Hldgs., Myson Grp., Parkfield Grp., Seafield, Tomkins, Do. 5.5pc Cv. Pf., Whittington, Willams Hldgs., Wills Grp.,
INSURANCE (3) Bradstock Grp., FAI Ins., Sun Life, LEISURE (2) SelectTV, TVS Ent. 7.4pc Pf., MOTORS (1) Jaguar, NEWSPAPERS (3) Int'l. Bus. Comms., Utd. Newspapers, PAPERS (3) BBS Design Grp., Fitch, Do. 6p Cv. Pf., Holmes Marchant, Norse NV 'A', Nelson, Osprey Comms., Pathfinders Grp., Peters (M.), PROPERTY (6) BHH Grp., Broadwell Land, City Gate Est. 3¾pc Cv. Pf., Lon. & Edin. Tst. 6pc Cv. Pf., Merchant Manuf. Estr., Shield Grp. 5.84pc Net Cv. Cm. Pf., TEXTILES (3) Beales (J.), Lowe (F.H.), Textl'nd. Jsy., TRUSTS (10) CWLS (8) Aberdeen Pet., AmErrt Int'l., BOM Hldgs., Bula Res., Caspan Oil, Lysander Pet., Marinex, Petrocon, OVERSEAS TRADERS (1) Nasco Inv., MINES (10) THIRD MARKET ( ) Caldwell Invs., Dana Exp., Kemp (P.E.), Ovoca Gold, Rentaminister.

APPOINTMENTS

Board posts at Triplex Lloyd

■ Mr Norman Price and Mr David Mason have been appointed directors of TRIPLEX LLOYD from January 1. Mr Price was managing director of Seamless Tubes, a subsidiary of British Steel and TI Group, and Mr Mason was a divisional managing director of Myson. For the purpose of the Triplex Lloyd offer for Christy Hunt they will serve as non-executive directors until December 31. Mr J.R.M. Phillips, an executive director, has retired.

■ MORGAN GRENFELL has appointed the following to the board of Morgan Grenfell & Co., from January 1: Mr C.B.B. Beauman, Mr S.R. Bell, Mr J.P.S. Crawford, Mr R.J. Halcrow, Mr R.W. Heyman, Mr G.S. Hutton, Mr A. Seton, Mr G.V.R. Thompson, and Mr R.I. Tolkien. Mr J.R. Walton has been appointed to the board of Morgan Grenfell Asset Management, also from January 1.

■ Mr Andrew Wakeling has been appointed managing director of LONDON LIFE, subject to the approval of the DTI.

■ PARKFIELD GROUP has appointed Mr Stan Keyworth, managing director of the new manufacturing division, to the board. Mr John Leeding has been appointed divisional managing director of Parkfield Wheels, and Mr Roger Burdett becomes divisional managing director of Parkfield Castings.

LEGAL & GENERAL has appointed Mr David Rough as director of its UK equities division. He was head of Royal Life's conventional funds investment division.

■ Mr David Fischel has been appointed finance director of CAPITAL & COUNTIES. He is finance director of TransAtlantic Holdings, the parent company.

■ Mr Andrew J. Brown is to be appointed finance director of GARTMORE INVESTMENT MANAGEMENT. He is finance director of Sedgwick, and chairman of Sedgwick Management Services. Gartmore is a subsidiary of British & Commonwealth Holdings.

■ SQUARE D UNITED KINGDOM, Swindon, has appointed Mr Roger Parker as executive director manufacturing.

■ Mr David L. Pinder has been appointed director and general manager of SUPRA AUTOMOTIVE following the retirement of Mr Peter Dighton. Mr Pinder was home sales manager.

■ Mr Dick Gazmararian has been appointed managing director of WESTPAC BANKING CORPORATION, London, following the retirement of Mr Warren Magi from the board and as managing director of Mase Westpac.

■ Mr Raymond Cooper, until recently a partner with stockbrokers Spencer Thornton Northcote, will join MacINTYRE INVESTMENTS as portfolio director from January 1.

■ COMPLIANCE has appointed Ms Marian Smith as sales and marketing director. She was sales and marketing manager.

■ HOSKYNS GROUP has appointed Mr Peter Birch as a non-executive director. He is group chief executive of Abbey National Building Society.

Dr Amar J.P. Sabberwal (above) has been appointed an executive director of T&N from January 1. He will be responsible for group companies involved in speciality resins, plastics, composites materials and engineering ceramics, as well as for T&N Technology.

■ Mr Peter Moderate has been appointed a director of DOMESTIC AND GENERAL GROUP where he is responsible for the group's information technology services.

■ Mr Peter Wrangham, an executive director of The Hongkong and Shanghai Banking Corporation, has been appointed a non-executive director of MIDLAND GROUP. Mr Kenneth Barker has retired as a non-executive director.

New Issue
December 14, 1988

All these Bonds having been sold, this announcement appears as a matter of record only.

Kingdom of Belgium

DM 300,000,000
5 1/4 % Bonds due 1993

WESTDEUTSCHE LANDESBANK GIROZENTRALE

CSFB-EFFECTENBANK
DEUTSCHE BANK AKTIENGESELLSCHAFT

KREDIETBANK INTERNATIONAL GROUP
MORGAN STANLEY GMBH

ASLK-CGER BANK
BANK BRUSSEL LAMBERT N.V./ BANQUE BRUXELLES LAMBERT S.A.
BANQUE NATIONALE DE PARIS S.A. & CO. (DEUTSCHLAND) OHG

BANQUE PARIBAS CAPITAL MARKETS GMBH
BAYERISCHE LANDESBANK GIROZENTRALE
BAYERISCHE VEREINSBANK AKTIENGESELLSCHAFT

BHF-BANK
COMMERZBANK AKTIENGESELLSCHAFT
COUNTY NATWEST LIMITED

CREDIT COMMERCIAL DE FRANCE
DAIWA EUROPE (DEUTSCHLAND) GMBH
DRESDNER BANK AKTIENGESELLSCHAFT

GENERALE BANK
INDUSTRIEBANK VON JAPAN (DEUTSCHLAND) AKTIENGESELLSCHAFT
J.P. MORGAN GMBH

MITSUBISHI BANK DEUTSCHLAND GMBH
NOMURA EUROPE GMBH
SALOMON BROTHERS AG

SCHWEIZERISCHE BANKGESELLSCHAFT (DEUTSCHLAND) AG
SCHWEIZERISCHER BANKVEREIN (DEUTSCHLAND) AG INVESTMENT BANKING
TRINKAUS & BURKHARDT KOMMANDITGESELLSCHAFT AUF AKTIEN

YAMAICHI INTERNATIONAL (DEUTSCHLAND) GMBH

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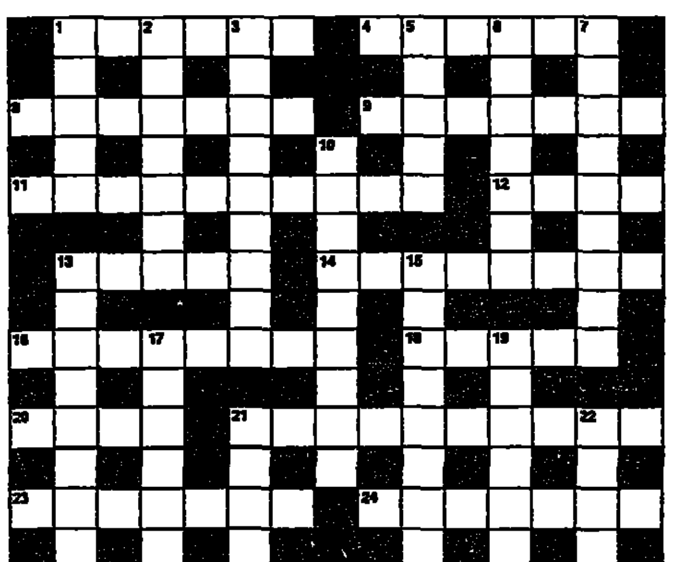
AUTHORISED UNIT TRUSTS

CROSSWORD

No.6,811 Set by DANTE



ACROSS

1 Be careful with money, investing a thousand in share certificates (6)
4 Foreign money not returned but forwarded (4,2)
8 Drink alcohol as a prop (7)
9 Get back into the middle of the procession (7)
11 Flowers put into the ground in London (10)
12 Impor–anc–? (4)
13 A capital seat I snuggle into (5)
14 Ball for a Pekingese? (8)
16 Husband in sordid gaol (8)
18 Ellis spins a yarn (5)
20 An odd kind of plant (4)
21 It doesn't matter if only one of the twins hesitates (4,6)
23 Shouts for something to get the fire going (7)
24 Sprite to work for a hag (7)
25 Easterly gales spoiled good golf scores (6)
26 Loyal toast drunk in hock, presumably (6)

DOWN

1 A nut-case, we hear, involved in a row (5)
2 Evidence follows concerning blame (7)
3 A marsh plant providing a variety of materials (5-4)
5 It's not easily carved by one in a confused state (5)
6 Ain't it a change to be fairy queen! (7)
7 Arming the riotous is a horrifying experience (9)
10 Hit nose shifting casks (9)
13 A salty draught? (3,6)
15 The Italian politician's stingy (9)
17 Get mail, perhaps, but not without delay (4-3)
19 Determined to do no more roaming? (7)
21 Hope to find one well? (5)
22 Take sweetheart and run (5)

Solution to Puzzle No.6,810

FEVERISH EDITOR
E O I P E H E
MOLASSES UNDIES
A U I E A N C
LEMONADE STOKER
E E G L A U I I
GINGERSNAP
S O D M R E G T
COMPARISON
R I U T N T F B
ENSIGN BOBWHITE
W S H M I S H
TAINTS PINNACLE
O O E S G A A
PINERO STEEPLED

GUIDE TO UNIT TRUST PRICING

INITIAL CHARGES
These represent the marketing, administrative and other costs which have to be paid by new purchasers. These charges are included in the price when the customer buys units.

OFFER PRICE
The price at which units may be bought.

BID PRICE
The price at which units may be sold.

CANCELLATION PRICE
The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, unit trust managers quote a much narrower spread. As a result, the bid price is often set well above the minimum permissible price which is called the cancellation price. However the bid price might be moved to the cancellation price in circumstances in which there is a large excess of sellers of units over buyers.

TIME
The time shown alongside the fund manager's name is the time at which the unit trusts' daily dealing prices are normally set unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: ♥ - 0001 to 1100 hours; ♦ - 1101 to 1400 hours; ♠ - 1401 to 1700 hours; ♣ - 1701 to midnight.

HISTORIC PRICING
The letter H denotes that the managers will deal on a historic price basis. This means that investors can obtain a firm quotation at the time of dealing. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis.

FORWARD PRICING
The letter F denotes that prices are set on a forward basis so that investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper show the prices at which deals were carried out yesterday.
Other explanatory notes contained in last column of the FT Unit Trust Information pages.

هكذا من الأصل

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TSB Unit Trusts (y) (1000)F
Charlton Pl, Andover, Hants. SP10 1RE — 0264 63434

	Init Chrg	Canc Price	Bid Price	Offer Price	+ or -	Yield Gr's
TSB American	6	94.04	94.80	100.85	+0.59	2.10
Do Accum	6	100.95	101.75	108.24	+0.63	2.10
TSB Brit Growth	6	51.94	53.09	56.56	[illegible]	[illegible]
[illegible]						

Target Trust Mngrs Ltd (1600)H
Target Hse, Gatehouse Rd, Aylesbury, Bucks. Admin: 0296 394000 — Dealing: 01-373 0860

Templeton Unit Trust Managers Ltd (1200)F
Atholl Crescent, Edinburgh EH3 8HA — 031 228 9992

Thornton Unit Managers Ltd (1000)F
33 Cavendish Sq, London W1M 7HF — 01-493 7262. Dealing 01-493 8545

Touche, Remnant Unit Tst Mngt Ltd (1600)F
Mermaid Hse, 2 Puddle Dock, EC4 — 01-248 1250

Trades Union Unit Tst Mngrs (1200)F
100 Wood Street, London EC2 — 01-606 4355
TUUT December 5 ...4 | 210.6 | 212.9 | 224.0 | +2.5 | 3.20

Trifon Fd. Mngrs. Ltd. (1000)H
Royal Lda. Hse. Colchester CO1 1RA — 0206 764400

Tyndall Unit Tst Mngrs Ltd (1600)H
25 Bucklersbury, London EC4N — 248 3399

UK Unit Trust Managers Ltd (1400)H
Worthing Road, Horsham, W15 1SL — 0403 40035

Unit Trust Account & Mngmt Ltd (1500)F
1 White Hart Yard, London Bridge, SE1 — 01-407 5966

United Charities Unit Trusts (1800)H
Unicorn Hse, 252 Romford Rd, E7 — 01-534 5544

Vanguard Trust Mngrs Ltd (1200)F
Admin: 5 Rayleigh Road, Hutton, Brentwood, Essex

Wardley Unit Tst Mngrs Ltd (0900)H
99, Bishopsgate, London, EC2P 2LA — 01-374 0861

Waverley Unit Tst Mngmt Ltd (1000)F
13 Charlotte Sq, Edinburgh — 031-225 1551

Wellington Fund Mngrs Ltd (1200)F
2, London Bridge, SE1 — 01-407 4404

Wessex Asset Management (1330)F
1 Richmond Hill, Bournemouth BH2 6HW — 0202 290432

Whittingdale Unit Tst Mgmt Ltd
2 Honey Lane, London EC2V 8BT — 01-606 3132

Wilfire Financial Services Ltd (0900)F
PO Box 515 Austin Friars, London EC2 — 01-588 7511

Windsor Trust Mngrs Ltd (1000)F
83 Kingsway, London, WC2B 6SD — 01-405 8331

Wright Seligman Fund Mngrs Ltd (1000)H
11 Blomfield St, London EC2M 7AY — 01-588 0592
Weekly dealing day Tuesday

The Yorkshire Unit Tst Mngrs Ltd (1100)F
Woodsome Pk, Fenay Bdge, Huddersfield — 0484 602250

OTHER UK UNIT TRUSTS

Baillie Gifford & Co Ltd
Cent. Bd. of Fin. of Church of England‡
2 Fore Street, London EC2Y 5AQ — 01-588 1815
Charities Official Invest. Fund‡‡
2 Fore Street, London EC2Y 5AQ — 01-588 1815
Edinburgh Fund Mngrs PLC
Robert Fleming & Co Ltd
Foreign & Colonial Pens Mngt Ltd
Funds in Court*
* Restricted to monies under Court control
Henderson Unit Trust Management Ltd
Lazard Investors Ltd ‡‡
Local Authorities Mutual Invest. Tst.*
2 Fore Street, London EC2Y 5AQ — 01-588 1815
* Available only to Local Authorities
MIM Ltd
Mngd Pens (Acc) ...... 54.0 | 57.5 | — | 0.80

Murray Johnstone UT Mngmt
New Court Property Fund Managers
Phillips & Drew Fund Management Ltd
J. Rothschild Fund Managers Ltd

INSURANCES

AA Friendly Society
Abbey Life Assurance Co Ltd
80 Holdenhurst Road, Bournemouth — 0202 292373
Abtrust Management Ltd
20, Cabinet St, London, EC1Y 4TY — 01-374 6801
Aetna Life Insurance Co Ltd
401 St. John St, London EC1V 4QE — 0800 010575
Albany Life Assurance Co Ltd
3 Darkes Lane, Potters Bar EN6 1AJ — 0707 42311
Allied Dunbar Assurance Plc
Allied Dunbar Ctr, Swindon SN1 1EL — 0793 514514
Ambassador Life Assce. Co Ltd
80 Holdenhurst Rd, Bournemouth — 0202 292345
American Life Insurance Co UK
2-8 Altyre Road, Croydon CR9 2LA — 01-680 6000
Avon Insurance Plc
Tiddington Rd, Stratford-upon-Avon CV37 — 0789 204211
Barclays Life Assur. Co Ltd
252 Romford Road, London E7 — 01-534 5544
For prices of Initial Units phone 01-534 5544.

Black Horse Life Ass. Co Ltd
Mountbatten Hse, Chatham, Kent — 0634 834000
British National FinancialServices
Perrymount Road, Haywards Heath — 0444 414111
CCL Assurance Ltd
74 Shepherds Bush Green, W12 8SD — 01-740 7070
Canada Life Group
2-6 High St, Potters Bar, Herts — 0707 51122
Cannon Assurance Ltd (z)
1 Olympic Way, Wembley HA9 0NB — 01-902 8876
City of Edinburgh Life Assurance
46 Charlotte Sq, Edinburgh EH2 4HQ — 031-225 1655
City of Westminster Assurance (z)
PO Box 469, 500 Avebury Blvd, Milton Keynes MK9 2NU
Clerical Medical/Fidelity International
Narrow Plain, Bristol BS2 0JH — 0272 290566
Clerical Medical Investments Group
Narrow Plain, Bristol BS2 0JH — 0272 290566
Clerical Medical Managed Funds Ltd
15 St James's Sq, London SW1Y 4LQ — 01-930 5474
Colonial Mutual Group
24 Ludgate Hill, London EC4P 4BD — 01-248 9861

Combined Insurance Co of America
15 Wheatfield Way, Kingston upon Thames, Surrey KT1 2PA — 01-546 7733
Commercial Union Group
St Helen's, 1 Undershaft, London EC3 — 01-283 7500
Continental Life Insurance PLC
64/70 High St, Croydon CR0 9XN — 01-680 5225
Cornhill Insurance PLC
57 Ladymead, Guildford — 0483 68161
Criterion Assurance Group
Swan Court, Petersfield, Hants — 0730 63281
Crown Financial Management Ltd
Crown Hse, Woking GU21 1XW — 04862 5033
Crusader Insurance Plc
Reigate, Surrey RH2 8BL — 0737 242424
Devonshire Life
29 Glasshouse St., W1R 5RG — 01-434 3511
Eagle Star Insurance Co Ltd
Bath Road, Cheltenham GL53 7LQ — 0242 221311
Eagle Star Insur./Midland Assur.
1 Threadneedle St, London EC2 — 01-588 1212
Economic Insurance Company Ltd
London Rd, Sittingbourne, ME10 1PE — 0795 24321
Edinburgh Money Management Ltd
49 Charlotte Square, Edinburgh EH2 4HQ — 031 220 1244
Equitable Life Assurance Society
Walton St, Aylesbury Bucks HP21 7QW — 0296 393100
Equity & Law
Amersham Road, High Wycombe — 0494 463463
FS Assurance Limited
190 West George St, Glasgow G2 2PA — 041-332 6462
Family Assurance Society
19 New Rd, Brighton BN1 1WS — 0273 724570

Framlington Life Insurance Ltd
3 London Wall Buildings, EC2M 5NQ — 01-628 5181
Friends' Provident
Castle Street, Salisbury, Wilts SP1 3SH — 0722 336242
GT Management Ltd
8th Floor, 8 Devonshire Sq, EC2 — 01-283 2575
General Accident Linked Life Assurance(z)
2 Rougier Street, York YO1 1HR — 0904 628982
General Portfolio Life Insce Plc
General Portfolio House, Harlow, Essex — 0279 626262
Assicurazioni GENERALI SpA
117 Fenchurch St, London EC3M 5DY — 01-488 0733
Gresham Unit Assurance Ltd
2-6 Prince of Wales Rd, Bournemouth — 0202 752800
Growth & Sec. Life Assce. Soc. Ltd
Weir Bank, Bray-on-Thames, Berks — 0444 413307
Guardian Royal Exchange
Royal Exchange, EC3 — 01-283 7101

Hearts of Oak Insurance Group
84 Kingsway, London WC2B 6NF — 01-404 0393
Henderson Administration (z)
3 Finsbury Ave, London, EC2 M2PA — 01-638 5757
Hill Samuel Life Assur. Ltd (z)
NLA Tower, Addiscombe Rd, Croydon — 01-686 4355
Homeowners Friendly Society
PO Box 94, Springfield Ave, Harrogate — 0423 67355
Ideal Insurance Co Ltd
Moor Green Lane, Birmingham B13 8NG — 021 449 4102
Imperial Trident Life Ltd
69 London Road, Gloucester, GL1 3LE — 0452 500500
Interlife Assurance Co Ltd
149-151 High Rd, Chadwell Hth RM6 6PJ — 01-597 7566
Irish Life Assurance Co Plc
Longbow House, 20 Chiswell St, EC1 — 01-638 1731
The LAS Group
10 George St, Edinburgh — 031-225 8494
Lancashire & Yorkshire Assce Society
Moorgate Hall, Moorgate Rd, Rotherham — 0709-829191
Legal & General (Unit Assur) Ltd
2 Montefiore Road, Hove, BN3 1SE — 0273 724580

Legal & General (Unit Pensions) Ltd
Kingswood House, Kingswood, Tadworth, Surrey — 07373 53456
Prices for Series 2 Pensions. For other prices Tel. 07373 53456
Liberty Life Assurance Co Ltd
Station Rd, New Barnet — 01-440 8210
London A'deen & Nthn. Mtl. Assur. Ltd
See Hearts of Oak Insurance Group
London Indemnity & Gnl. Ins. Co Ltd
18-20 The Forbury, Reading — 583511
London Life
100 Temple St, Bristol BS1 6EA — 0272-279179
London & Manchester Group
Winslade Pk, Exeter EX5 1DS — 0392 52155
M & G Life and M & G Pensions
Victoria Road, Chelmsford, CM1 1FB — 0245 266266
MGM Assurance(z)
MGM House, Heene Rd, Worthing — 0903 204631
Manufacturers Life Insurance Co (UK)
St George's Way, Stevenage — 0438 356101
Merchant Investors Assurance Co Ltd
Part of the MI Group. Leon House, 233 High St, Croydon — 01-686 9171

Merchant Investors Assurance Co Ltd — Contd.
Bid Prices Only. Offer prices where applicable approx 5% higher.
Midland Life Limited
Norwich Hse, Commercial Rd, Southampton — 0703 229929
Municipal Life Assurance Ltd
1 Sessions Hse Sq, Maidstone ME14 1XX — 0622 690555
NEL Britannia Assce Co Ltd
Milton Court, Dorking, Surrey — 0306 887766
NEL Pensions Ltd
Milton Court, Dorking, Surrey — 0306 887766
NM Schroder Life Assurance Ltd
Enterprise House, Portsmouth — 0705 827733
National Financial Management Corp PLC
72 Cambourne Rd, Aylesbury, HP19 3HJ — 0296 395539

Continued on next page

FT UNIT TRUST INFORMATION SERVICE

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National Mutual Life
The Priory, Priory Pk, Hitchin. SG5 2DW 0462 422422

Fund	Bid Price	Offer Price	+ or -	Yield Gross
Managed Fund	196.1	206.5	—	—
Managed Prospect Fund	159.2	167.6	—	—
UK Equity Fd	236.7	249.2	—	—
Fixed Interest	158.0	166.4	—	—
Pacific	224.2	236.1	—	—
North American	101.9	107.3	—	—
Pens. Managed	220.2	231.8	—	—
Pens UK Equity	252.9	266.3	—	—
Pens. Overseas Equity	273.9	288.4	—	—
Pens. Property	174.7	183.9	—	—
Pens Fixed Interest	173.0	182.2	—	—
Pens. Index Linked	133.0	140.0	—	—
Pens. Deposit	163.4	172.0	—	—
P.R.P. UK Equity	110.0	115.8	—	—
P.R.P. Overseas Equity	97.5	102.7	—	—
P.R.P. Fixed Interest	117.7	123.9	—	—
P.R.P. Property	144.6	152.3	—	—
P.R.P. Index Linked	120.2	126.6	—	—
P.R.P. Deposit	112.7	118.7	—	—
P.R.P. Managed	110.4	116.3	—	—
P.R.P. With Profits	117.9	124.2	—	—

National Provident Institution
48 Gracechurch St, London EC3P 3HH 01-623 4200

Fund	Bid	Offer	+ or -	Yield
Managed	287.1	302.3	+0.7	—
UK Equity	352.9	371.5	+2.4	—
Overseas Eq	263.8	277.7	-0.4	—
Americas	199.5	210.1	+0.6	—
Far East	331.5	349.0	+0.3	—
Property	192.8	203.0	+0.3	—
Fixed Int	216.2	227.6	—	—
Indexed Gilt	127.5	134.3	-0.3	—
Deposit	144.4	152.1	—	—
Pension Fund (Accum Units)				
Managed	371.5	391.1	+1.4	—
UK Equity	413.1	434.9	+4.0	—
Overseas Eq	415.7	437.6	+0.4	—
Americas	265.7	279.7	+0.9	—
Far East	556.1	585.4	+0.1	—
Property	228.6	240.7	+0.5	—
Fixed Int	248.9	262.0	-0.1	—
Indexed Gilt	138.1	145.4	-0.3	—
Deposit	183.5	193.2	+0.1	—
NPI Pensions Management Ltd				
Managed Fund	890.1	906.0	—	—

Prices December 1 Next dealing January 3

Norwich Union Asset Management Ltd
PO Box 124, Norwich NR1 1JS 0603 683986

Fund	Bid	Offer	+ or -	Yield
NUAM Funds				
Managed Fund	53.1	55.9	+0.2	—
Stock Market Mngd Fund	50.7	53.4	+0.3	—
Equity Fund	53.4	56.2	+0.5	—
International Fund	48.7	51.3	+0.3	—
European Fund	49.7	52.3	+0.3	—
North American Fund	42.8	45.0	-0.3	—
Pacific Fund	60.5	63.7	+0.1	—
Property Fund	68.6	72.2		—
Fixed Interest Fund	51.6	54.4	-0.1	—
Index Linked Sec Fund	53.0	55.8	-0.3	—
Deposit Fund	55.1	58.0	—	—
NUAM Retirement Plans				
Mixed Fund	56.5	59.5	—	—
UK Ordinary Share Fd	61.0	64.2	-0.1	—
International Fund	50.4	53.0	—	—
Property Fund	67.3	70.9	+0.1	—
Fixed Interest Fund	56.6	59.6	+0.1	—
Index Linked Sec Fund	54.7	57.5	-0.1	—
Deposit Fund	59.5	62.7	+0.1	—
NUAM (MF)				
Managed Fund	743.3	782.5	+3.8	—
Equity Fund	1448.5	1524.8	+12.6	—
Property Fund	432.3	455.1	+0.1	—
Fixed Interest Fund	385.2	405.5	-1.0	—
Deposit Fund	225.6	237.5	—	—
International Fund	128.0	134.8	+0.6	—
Index Linked Sec Fund	53.7	56.6	-0.3	—

Norwich Union Life Insurance Soc.
PO Box 149, Norwich NR1 3NG 0603 622200

Fund	Bid	Offer	+ or -	Yield
Unitised Pensions				
With Profits Fd	109.12	114.86	+0.04	—
Managed Fd	114.13	120.14	—	—
UK Equity Fd	112.93	118.87	-0.16	—
International Fd	119.67	125.97	+0.15	—
European Fd	112.71	118.64	+0.21	—
North American Fd	108.80	114.52	+0.02	—
Pacific Fd	116.78	122.93	-0.51	—
Property Fd	122.43	128.88	+0.04	—
Fixed Int Fd	100.33	105.61	+0.21	—
Intl Bond Fd	102.57	107.97	-0.09	—
Bldg Soc Dep Fd	103.94	109.41	+0.10	—
Pensionvestor* & Unit-Linked Plus*				
Fixed Interest Fund	283.2	298.1	+1.7	—
Index-Linked Sec Fund	154.8	162.9	+0.4	—
Ordinary Share Fund	452.2	476.0	-12.1	—
International Fund	126.7	133.4	-0.4	—
Property Fund	207.7	218.6	+0.5	—
Deposit Fund	186.0	195.8	+0.4	—
Mixed Fund	315.4	332.0	-3.6	—
Norwich Units October 15	822.3		—	—

*Prices as at December 6

Pearl Assurance (Unit Funds) Ltd
252 High Holborn, London WC1V 7EB 01-405 8441

Fund	Bid	Offer	+ or -	Yield
Prop Dist (Gross)	177.7	187.1		—
Prop Acc (Gross)	299.3	315.1		—
Equity Acc (Gross)	618.6	651.2	+3.5	—
Managed (Gross)	463.1	487.5	+1.4	—
Prop. Acc. (Net)	138.5	145.8		—
Equity (Net)	149.1	156.9	+0.5	—
Managed (Net)	143.5	151.1	+0.3	—
Internat'nal (net)	128.8	135.6	+0.2	—
Gilt & Fxd Interest	100.3	105.6	-0.9	—
Money Fund	102.5	107.9		—
Pearl Assurance (Unit Linked Pens) Ltd				
Ret Man (Series 1)	434.3	457.2	+1.5	—
Ret Man (Series 2)	147.3	155.1	+0.5	—
Ret Man (Series 3)	97.1	97.1	+0.4	—
Ret Cash	128.0	134.7	+0.1	—
Ret Cash (Series 3)	105.0	105.0		—

Phoenix Assurance Co Ltd
Phoenix House, Redcliff Hill, Bristol 0272 294941

Fund	Bid	Offer	+ or -	Yield
Life Assurance Funds				
Wealth Assd	378.8	398.9	—	—
Eb'r Ph. Eq.	345.3	367.6	—	—
Pension Plan Funds				
Phoenix				
UK Equity Acc	163.5	172.1	+1.4	—
International Acc	137.7	144.9	-1.4	—
Property Acc	156.0	164.2	+0.4	—
Fixed Interest Acc	157.4	165.6	+0.2	—
Money Acc	147.5	155.2	+0.1	—
Bldg. Soc. Link Acc	144.5	152.1	+0.1	—
Special Mngd. Acc	150.9	158.8	+1.0	—
Phoenix/Framlington				
Intl Growth Acc	82.50	86.80	+0.10	—
Am Smllr Cos. Acc	81.00	85.20	+0.20	—
Capital Tst Acc	163.7	172.3		—
Japan & Gen Acc	199.0	209.4	+0.3	—
American Turn. Acc	90.50	95.20	+0.30	—
Recovery Tst Acc	175.6	184.8	+0.8	—
Special Mngd Acc	146.2	153.8	+0.3	—
Phoenix/GT				
International Acc	133.2	140.2		—
US & General Acc	84.20	88.60	+0.30	—
Amer Spec Sits Acc	61.00	64.20	-0.10	—
Japan & General Acc	195.0	205.2	+1.0	—
Far East & Gen. Acc	144.4	151.9	-0.5	—
UK Capital Acc	176.8	186.1	+2.5	—
European Acc	155.2	163.3	+0.2	—
Special Mngd. Acc	128.9	135.6	+0.8	—

Pioneer Mutual Insurance Co Ltd
16 Crosby Rd, N. Waterloo, Liverpool 051-928 6655

Fund	Bid	Offer	+ or -	Yield
Managed Fund	252.4	265.7	—	—
Man Pens Inc & Cap Fds	316.5	333.2	—	—
Money Fund	115.6	121.7	—	—
Pens Mngd Fd (Init)	83.8	88.3	—	—
Pens Mngd Fd (Acc)	98.6	103.8	—	—
Pens FT30 Fd (Init)	122.9	129.4	—	—
Pens FT30 Fd (Acc)	144.5	152.2	—	—
Pens O'seas MgFd(Init)	59.93	63.1	—	—
Pens O'seas MgFd(Acc)	70.4	74.2	—	—
Pens Fxd Int Fd (Init)	105.1	110.7	—	—
Pens Fxd Int Fd (Acc)	123.5	130.0	—	—
Pens Deposit Fd (Init)	102.3	107.7	—	—
Pens Deposit Fd (Acc)	120.3	126.7	—	—

Premium Life Assurance Co Ltd
37-39, Perrymount Road, Haywards Heath 0444 458721

Fund	Bid	Offer	+ or -	Yield
American	98.0	104.0	—	—
Building Soc. Fd.	166.0	175.0	—	—
Balanced	246.0	259.0	-1.0	—
Deposit	165.0	174.0	—	—
European	139.0	146.0	—	—
GT Managed	152.0	160.0	-1.0	—
Gartmore Mngd	100.0	106.0	—	—
German	96.0	102.0	-2.0	—
Gilt	167.0	176.0	-1.0	—
Global	47.0	50.0	—	—
High Inc	109.0	115.0	—	—
International Equity	158.0	167.0	-1.0	—
Japan	219.0	231.0	—	—
Managed	55.0	58.0	—	—
Property	270.0	285.0	—	—
R. W. Imperial Gold	115.0	122.0	—	—
UK Equity	311.0	328.0	—	—
Pension Funds				
American	120.0	127.0	—	—
Building Soc. Fd.	160.0	169.0	—	—
Balanced	191.0	202.0	—	—
Deposit	157.0	166.0	—	—
European	136.0	144.0	—	—
German	91.0	96.0	—	—
Gilt	141.0	149.0	—	—
International Equity	116.0	123.0	—	—
Japan	123.0	130.0	—	—
Managed	55.0	58.0	—	—
Property	208.0	219.0	—	—
UK Equity	280.0	296.0	—	—

Prolific Life & Pensions Ltd
Stramongate, Kendal Cumbria LA9 4BE 0539 33733
Managed Fund see Balanced Growth Managed Fund

Fund	Bid	Offer	+ or -	Yield
Balanced Grwth Mngd	495.1	521.8	+2.2	—
Adventurous Mngd	99.0	104.4	+0.6	—
Secure Mngd	97.5	102.8	+1.0	—
Cash Fd	224.0	236.1	+0.0	—
Property Fund	272.8	287.5	+0.0	—
Equity Fund	539.4	568.4	+3.0	—
Fxd. Int. Fund	281.9	297.1	+0.5	—
International	243.6	256.7	+4.3	—
High Income	391.9	413.0	+7.4	—
Far East	381.5	402.1	+1.9	—
North American	198.3	209.0	+0.6	—
Special Sits	480.1	506.0	+4.4	—
Technology	199.1	209.9	+0.7	—
Extra Inc Fd	230.7	243.2	+4.7	—
Convertible & Gilt Fd	142.4	150.1	+0.0	—
American Income	101.2	106.7	+0.5	—
Gilt Fund 20	292.2	310.9	+0.1	—
European Fund	83.9	88.5	+0.9	—
Pref & Fixed Int	96.4	101.6	-0.5	—
Bancd Gth Mngd Pens Acc	475.0	500.0	-0.6	—
Adventurous Mngd Pens Acc	95.0	100.0	+0.7	—
Secure Mngd Pens Acc	96.3	101.4	-0.1	—
Building Soc. Acc	229.8	241.9	+0.0	—
Property Pens. Acc	271.7	286.0	+0.0	—
Fix. Int. Pens. Acc	375.2	395.0	-0.5	—
Equity Pens. Acc	602.7	634.5	-0.9	—
International Pens Acc	217.6	229.1	+0.7	—
High Inc Pens Acc	404.2	425.5	+3.4	—
Tech Pens Acc	124.2	130.8	+0.4	—
N American Pens Acc	129.2	136.0	+0.5	—
Far Eastern Pens Acc	362.9	382.0	-1.9	—
Special Sits Pens Acc	385.7	406.1	+1.6	—
Extra Income Pens Fd	264.5	278.5	+2.7	—
Convertible & Gilt Pen	151.0	159.0	+0.0	—
American Inc Pens	107.8	113.5	+0.7	—
European Pens	85.8	90.4	+0.0	—
Managed Cash Pens	105.4	111.0	+0.0	—
Pref & Fixed Pens	97.3	102.5	-0.5	—
Broker Funds				
Acorn Managed Fund	141.5	149.0	+1.4	—
Pers'clio 2000	127.3	134.0	+2.4	—
Bestyn Intl Managed	93.6	98.6	+0.8	—
PBM Max Grth & Inc	91.1	95.9	+1.7	—
DWC Growth & Income	95.0	100.0		—

For Capital Unit and Other Prices ring 0539-33733

Property Equity & Life Ass. Co
Baxter Ave, Southend SS2 6QH 0702 333433

Fund	Bid	Offer	+ or -	Yield
Int Man Pension Fd	129.9	136.7	—	—
Int Man Crncy Bd Fd	131.5		—	—
Int Man Crncy Bd Fd(c)	121.0		—	—
Flexible Prop. Bd. Fd.	168.1		—	—
Flexible Money Bd. Fd.	308.3		—	—
Special Man. Inc. Fd.	125.4		—	—

Property Growth Assur Co Ltd
Sun Alliance House, Horsham 0403 641411

Fund	Bid	Offer	+ or -	Yield
Property Fund	414.0		+0.8	—
Property Fund (A)	395.0		+0.7	—
Agricultural Fund	519.3		-0.1	—
Agric. Fund (A)	499.1		+0.1	—
Abbey Nat. Fund	307.4		+0.2	—
Abbey Nat. Fd. (A)	330.5		+0.5	—
Investment Fund	206.1		+1.1	—
Investment Fund (A)	199.6		+1.0	—
Equity Fund	729.0		+4.5	—
Equity Fund (A)	702.3		+4.3	—
Money Fund	307.7		-0.1	—
Money Fund (A)	298.0			—
Actuarial Fund	344.7		+1.8	—
Gilt-Edged Fund	260.3		-0.2	—
Gilt-Edged Fd (A)	260.3		-0.2	—
Retire Annuity	890.0			—
Immed Ann'ty	323.0			—
International Fd	377.9		+3.2	—
Bldg Soc Life Fd	153.4			—
Property Growth Pensions & Annuities Ltd				
All W'ther Ac. Uts	432.7	455.5		—
Inv Fd Uts	463.3			—
Pension Fd Uts	490.5		+0.1	—
Conv Pens Fd	522.3		+0.1	—
Cnv Pns Cap Ut	329.7		+0.1	—
Man Pens Fd	601.5		+3.5	—
Man. Pens. Cap. Ut	380.8		+2.3	—
Prop Pens Fd	530.8		-1.5	—
Prop Pens Cap Uts	335.5		+0.9	—
Bldg Soc Pen Ut	462.0		+0.2	—
Bldg Soc. Cap. Ut	299.8		+0.1	—
Gilts Pens Fd	274.6		+0.3	—
Gilts Pens Fd. Cap	200.4		+0.2	—
Equity Pens. Fd	494.9		+3.8	—
Equity Pens. Fd. Cap	361.4		+2.8	—
Intl. Pens. Fd	173.5		+1.6	—
Intl. Pens. Fd. Cap.	145.5		+1.4	—

Providence Capital Life Assc. Co Ltd
30 Uxbridge Rd, London W12 8PG 01-749 9111

Fund	Bid	Offer	+ or -	Yield
UK Equity Acc	176.6	186.3	-1.1	—
UK Fixed Int Acc	141.4	149.2	+1.2	—
Intl Equities Acc	128.2	135.3	+0.1	—
UK Managed Acc	141.5	149.2	-0.1	—
Property Acc	220.6	232.8	-0.2	—
Money Acc	102.8	108.5		—
Special Market Acc	100.0	105.5	+2.6	—
Japan Equity Acc	137.0	144.6	+0.1	—
North American Acc	83.9	88.6	+0.2	—
Pacific Acc	72.3	76.3		—
Technology Acc	106.0	111.9	+0.4	—
Nat Resources Acc	57.2	60.4	-0.3	—
European Acc	78.7	83.1	+0.7	—
Residential Prop Acc	115.7	122.1	-0.2	—
Swiss Equities Acc	31.0	32.8	+0.3	—
Hong Kong Acc	43.4	45.8	-0.1	—
UK High Inc Eq Acc	58.5	61.8	-0.2	—
Int Fixed Interest Acc	49.6	52.4		—
Int Managed Acc	46.5	49.0	+0.1	—
HIP Managed Acc	100.5	106.0	+0.1	—
Total Investment Bond				
UK Equity Initial		123.3	-0.7	—
UK Fixed Int Initial		98.9	+0.8	—
Intl Equities Initial		89.0		—
UK Managed Initial		99.0		—
Property Initial		155.4	-0.1	—
Money Initial		72.3		—
Special Market Initial		79.7	+1.9	—
Japan Equity Initial		109.3	+0.1	—
North American Initial		67.0	-0.2	—
Pacific Initial		57.7	+0.1	—
Technology Initial		84.5	+0.3	—
Nat. Resources Initial		45.6	-0.2	—
European Initial		72.5	+0.6	—
Residential Prop Init		113.5	-0.2	—
Swiss Equities Initial		30.5	+0.2	—
Hong Kong Initial		42.6	+0.3	—
UK High Inc Eq Init		57.4		—
Int Fixed Interest Init		49.3	-0.2	—
Int Managed Init		46.3		—
HIP Managed Init		100.3	+0.1	—
Broker Fund				
Towerhill Mngd Fd Acc	41.9	44.1		—
High Performance	58.7	61.9	-0.7	—
YRA Executive Fd	75.5	79.6	-0.1	—
Investment Master		35.0		—
H F Specialstor Fd		111.1	+0.1	—
£ High Inc Money Fd		103.4	-0.1	—
£ Global Growth Fd		105.4	-0.1	—
PEP Acorn II		99.6		—
AAFS Int Man Fund		94.7	-1.5	—
Individual Pension Funds				
UK Equity Acc	187.8	198.2	-1.2	—
UK Fixed Interest Acc	164.2	173.3	+1.4	—
Intl Equities Acc	159.4	168.2	+0.1	—
UK Managed Acc	146.0	154.0	+0.1	—
Property Acc	187.1	197.4	-0.2	—
Money Acc	116.4	122.8		—
Special Market Acc	131.0	138.2	+3.3	—
Japan Equity Acc	223.1	235.4	+0.3	—
North American Acc	100.2	105.7	+0.2	—
Pacific Acc	130.3	137.5		—
Technology Acc	136.9	144.5	+0.7	—
Natural Resources Acc	88.0	92.9	-0.4	—
European Acc	88.1	93.0	+1.0	—
Residential Prop Acc	120.2	126.8	-0.1	—
Swiss Equities Acc	30.4	32.1	+0.2	—
Hong Kong Acc	42.3	44.7		—
UK High Inc Eq Acc	61.2	64.6	-0.2	—
Int Fixed Interest Acc	50.1	52.9		—
Int Managed Acc	46.2	48.7		—
Broker Fund				
Towerhill Mngd Pen Acc	35.1	37.0	—	—
Group Pension Funds				
Equity Acc	573.4	591.2	-5.0	—
Fixed Interest Acc	487.3	502.4	—	—
Managed Acc	100.4	102.4	—	—

Provident Life Assoc Ltd
Provident Way, Basingstoke RG21 2SZ 0256 470707

Fund	Bid	Offer	+ or -	Yield
Unit Fund	869.7	913.2	+0.6	—
Equity Fund	188.9	198.3	+0.2	—
International Fd	131.6	138.2		—
Fixed Interest Fd	150.6	158.1	+0.1	—
Property Fund	196.3	206.1		—
Index-Linked Fund	131.7	138.3	-0.1	—
Deposit Fund	131.9	138.5		—
Pens. Mixed (Ord) Fd	202.0	212.1	+0.2	—
Gold Pensions				
Discretionary Fund		98.0	+0.1	—
Equity Fund		92.6	+0.1	—
Fixed Interest Fund		103.6	+0.1	—
International Fund		98.4		—
Property Fund		116.9		—
Index-Linked Fund		107.7	-0.1	—
Deposit Fund		104.2	+0.1	—
S&F Consolidation		101.5	+0.1	—
S&F Balanced		97.0	+0.1	—
S&F Maximum Growth		88.5	-0.3	—

Provident Mutual Life Assc. Assn.
Wilian Rd, Hitchin, Herts SG4 0LP 0438 739000

Fund	Bid	Offer	+ or -	Yield
Managed Ord	286.8	301.9	+0.8	—
Managed Init	234.4	246.7	+0.6	—
Equity Ord	387.1	407.4	+2.2	—
Equity Init	316.3	332.9	+2.1	—
Index Linked Gilt Ord	130.1	136.9	-0.3	—
Index Linked Gilt Init	111.1	116.9	-0.3	—
Overseas Equity Ord	260.1	273.8	+0.1	—
Overseas Equity Init	212.6	223.8	+0.1	—
Property Ord	185.2	194.9	+0.1	—
Property Init	151.3	159.3		—
Fixed Interest Ord	172.3	181.4	-0.1	—
Fixed Interest Init	140.8	148.2	-0.1	—
Deposit Ord	138.3	145.6		—
Deposit Init	113.0	118.9		—
Pension Funds				
Managed Ord	346.1	364.3	+1.2	—
Managed Init	282.9	297.8	+1.1	—
Equity Ord	481.4	506.7	+3.8	—
Equity Init	393.4	414.1	+2.9	—
Pen Ind Lkd Gilt Ord	140.8	148.2	-0.2	—
Pen Ind Lkd Gilt Init	120.2	126.5	-0.2	—
Overseas Equity Ord	294.9	310.4	+0.2	—
Overseas Equity Init	241.0	253.7	+0.1	—
Property Ord	219.7	231.3		—
Property Init	179.6	189.1		—
Fixed Interest Ord	197.4	207.8	-0.2	—
Fixed Interest Init	161.3	169.8	-0.2	—
Deposit Ord	174.6	183.8		—
Deposit Init	142.7	150.2		—

Prudential Assurance Co
Holborn Bars, London EC1N 2NH 01-405 9222

Fund	Bid	Offer	+ or -	Yield
Prudence				
Managed Dec 7	207.8	216.5	—	—

Prudential Holborn Life Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Fund	Bid	Offer	+ or -	Yield
Holborn Series I Life Funds				
Managed	439.0	462.2	+2.0	—
Equity	865.5	911.1	+5.4	—
Fixed Interest	371.8	391.4		—
Property	363.1	382.3		—
Cash	249.8	263.0		—
International	306.6	322.8	+1.0	—
Holborn Series II Life Funds				
Managed	430.9	453.6	+1.9	—
Equity	847.6	892.3	+5.3	—
International	301.0	316.9	+1.0	—
Fixed Int	362.8	381.9		—
Property	354.5	373.2		—
Cash	244.1	257.0		—
Pacific Basin	179.2	188.7	-0.2	—
North American	116.5	122.7	+1.5	—
European	129.4	136.3		—
Holborn Balanced Grth	99.9	105.2	+0.4	—
Holborn Strategic Grth	99.8	105.1	+0.4	—

Prudential Holborn Pensions Ltd
30 Old Burlington St, London W1X 1LB 01-439 3134

Fund	Bid	Offer	+ or -	Yield
Managed	476.1	501.2	+2.2	—
Equity	667.8	703.0	+5.1	—
Global Equity	194.7	205.0	+0.3	—
Fixed Interest	382.7	402.9	+0.1	—
Property	361.0	380.1	+0.1	—
Cash	147.5	155.3		—
Index Linked Gilt	183.1	192.8	-0.2	—
Guaranteed	112.2	118.1		—
International Money	188.0	197.9	+0.3	—
North American	53.0	55.8	+0.2	—
Japanese	127.0	133.7	+0.3	—
European	71.5	75.3	+0.3	—
Special Situations	96.6	101.7	+0.7	—
Communications	80.0	84.3	+0.1	—
Smaller Companies	91.9	96.8	+0.3	—
International Small Cos	103.1	108.6	+0.5	—

Prudential Pensions Limited
Holborn Bars, London EC1N 2NH 01-405 9222

Fund	Bid	Offer	+ or -	Yield
Discretionary Dec 7	£129.54	133.92	—	—
Equity Dec 7	£137.52	142.45	—	—
International Dec 7	£20.96	21.61	—	—
Intl Bond Dec 7	£10.70	10.85	—	—
Fixed Int Dec 7	£69.72	70.65	—	—
Index Linked Dec 7	£57.17	57.86	—	—
Property Dec 7	£99.04	104.87	—	—
Cash Dec 7	£19.5988	19.5988	—	—
Pre-Linked Retirement Plan				
Managed Dec 7	319.2	332.5	—	—
Cash Nov 23	184.6	192.3	—	—
Prudential Pensions Investment Account				
Pens Mngd Dec 13	128.8	135.6	-0.5	—
Pens UK Eq Dec 13	233.6	245.9	-1.7	—
Pens Intl Dec 13	153.7	161.8	+0.6	—
Pens Fixed Dec 13	157.9	166.3		—
Pens Index Lk Dec 13	144.4	152.1	-0.1	—
Pens Cash Dec 13	120.8	127.2		—

Regency Life Assurance Co Ltd
55-57, High Holborn, London WC1V 6DU 01-831 7481

Fund	Bid	Offer	+ or -	Yield
Aggressive Ptflio Fd	102.0	107.3	+0.3	—
Balanced Ptflio Fd	271.3	285.5	+0.8	—
Cautious Ptflio Fd	113.2	119.1	+0.2	—
Elite Fund	90.6	95.3	+0.3	—
European Fund	70.3	73.9	+0.3	—
Far East Fund	97.2	102.3	+0.2	—
Fixed Interest Fund	237.5	249.9	+0.1	—
International Fund	226.3	238.3	+0.8	—
Money Fund	170.9	179.8		—
N. American Fd	92.0	96.8	+0.1	—
Property Fund	365.8	385.0	+1.8	—
UK Equity Fd	332.3	349.7	+0.9	—
A.I.M. Brewin Distn Fd	78.7	82.8	+0.1	—
Swiss Select Inv	98.3	103.5	+0.3	—
Chart Safety First Bd	101.3	106.6		—
Conquest Fund	65.8	69.3		—
Exec Master Fd	88.1	92.7		—
Hardwick Growth Fd	105.3	110.8		—
Bentley Haig LR Port	89.2	93.9		—
Milbourne Spec Port	97.0	102.1		—
Swim Global Fd	99.4	104.6		—

All funds have equivalent pension fund. Series 2 prices above. Others available from Regency Life.

Reliance Mutual
Reliance House, Tunbridge Wells, Kent 0892 510033

Fund	Bid	Offer	+ or -	Yield
Deposit Acc Fd	119.3	125.6	+0.1	—
Equity Acc Fd	261.5	275.2	+1.6	—
Managed Acc Fd	240.1	252.8		—
Prop Fd (1st Issue)		528.1		—
Prop Acc Fd (2nd Iss)	164.0	172.6		—
Unit Trust Mn. Fd	90.2	95.0		—
RL Pension Funds				
Deposit Acc	151.4	159.4		—
Equity Acc	187.0	196.8		—
Fixed Int Acc	151.1	159.0		—
Gilt Index Link Acc	127.8	134.5		—
Managed Acc	224.2	236.1		—

Royal Heritage Life Assurance Ltd
20 Clifton St, EC2A 4HX 01-920 0202/0733 262524

Fund	Bid	Offer	+ or -	Yield
Mutl Grwth		440.55		
Mutl Grwth "A"	440.6	463.8		
Op Prop	397.6	418.6	-7.5	
Op Equity	668.7	703.9	+6.1	
Op High Yld	340.1	358.0	+0.7	
Op Man	522.0	549.5	+1.0	
Op Dep	264.4	278.4		12.48
Op Bnd	228.0	240.1	-0.1	
Op Inc Dist	180.4	189.9	+0.2	8.06
Op Intl Man	287.4	302.6	+0.6	
Op US$	82.1	86.5	+1.5	
Op Emergin Co's	234.7	247.1	+1.6	
Pension Funds-Series B & C Acc.				
Property	659.2	693.9	+0.1	
Equity	1606.2	1690.8	+3.8	
Fixed Interest	607.2	639.2	+0.7	
Managed	874.3	920.4	+1.7	
Deposit	490.1	515.9	+0.3	
Gartmore Global	156.9	165.2	+0.3	
Gartmore NA	74.9	78.9	+0.2	
Gartmore Pacific	194.7	205.0	-0.4	
Henderson Acc	136.7	145.0	-0.9	
Perpetual Mng	152.0	160.0	+0.1	
Framlington Mng	146.2	153.9	-0.7	
Gartmore Pen Mngd	151.1	159.5	-0.3	
Gartmore Pen Euro	104.9	110.5	+0.3	
Bedrock Pension Fund	98.9	104.2		
Suffolk Cap Pen. Fd	91.3	96.2		
BMC Pen SB Ser B	95.0	100.0		
Pension Funds-Series B				
Property	166.1	166.1	+0.3	
Equity	106.6	106.6	+0.2	
Fixed Interest	147.8	147.8	+0.2	
Managed	109.8	109.8	+0.2	
Deposit	142.7	142.7	+0.1	
Gartmore Global	97.7	97.7	-0.2	
Gartmore NA	84.1	84.1	-0.2	
Gartmore Pacific	101.3	101.3	-0.2	
Henderson Acc	114.8	114.8	-0.7	
Perpetual Mng	110.0	110.0		
Framlington Mng	115.7	115.7	-0.5	
Gartmore Pen Mngd	123.4	123.4	-0.6	
Gartmore Pen Euro	79.5	79.5	+0.2	
Knightsbridge CIS Pen	100.1	100.1		
Ark Euro Pen	95.7	95.7		

For Pensions Capital Units please ring ext 2285 or 2369

Royal Heritage Life Assurance Ltd – Contd.

Fund	Bid	Offer	+ or -	Yield
Barings Funds				
Australia	73.2	77.1	-0.4	—
Eastern	143.4	151.0	+0.3	—
Equity Income	99.2	104.5	+0.7	—
Europe	107.4	113.1	+0.2	—
Growth & Income	98.8	104.0	+0.7	—
Japan Special	128.5	135.3	+0.4	—
Japan Samurai	132.7	139.7	+0.5	—
First Japan	93.4	98.4	+0.6	—
First North America	71.4	75.2	+0.5	—
First Smaller Cos	116.0	122.2	+0.4	—
Managed	102.1	107.5	+0.3	—
MIM Britannia				
American Growth	65.7	69.2	+0.6	—
European Smaller	91.0	95.8	+0.8	—
International Leisure	84.5	89.0		—
US Income	69.0	72.7	+0.6	—
US Smlr Co's	90.3	95.1	+1.0	—
Commodity	69.6	73.3	+0.2	—
Extra Inc	138.1	145.4	+0.4	—
Far East	144.0	151.6	+0.7	—
Fin Secs	144.7	152.4		—
Gold	35.0	36.9	+0.3	—
Inc Growth	216.9	228.4	+0.8	—
Intl Growth	139.8	147.2	+0.4	—
Intl Recovery	195.3	205.6		—
Japan Perf	267.1	281.2	+0.6	—
Japan Smlr Cos	165.5	174.3	+2.2	—
Nat High	203.6	214.4	+0.6	—
Prop Shares	175.9	185.2	+0.8	—
Smaller Cos	265.5	279.5	+1.4	—
Univ Energy	52.7	55.5	+0.6	—
World Tech	96.8	101.9	+0.8	—
Man Growth	165.8	174.6	+0.4	—
Gilt	82.6	87.0	-0.1	—
Hong Kong	67.8	71.4	+0.2	—
Aust Growth	56.0	59.0	-0.4	—
European Perf	74.3	78.3	+0.3	—
Gartmore Funds				
American	112.5	118.5	+0.8	—
Australian	51.3	54.1	-0.4	—
British	165.8	174.6	+3.0	—
European	131.6	138.6	+0.7	—
Extra Inc	179.6	189.1	-1.7	—
Far East	226.1	238.1	-0.4	—
Frontier Markets	97.7	102.9	+0.6	—
Intl Fixed Interest	85.5	90.1	-0.3	—
Global Strtgy	264.9	278.9	+1.6	—
Gold Share	46.5	49.0	+0.1	—
Hedged American	114.0	120.0	+0.1	—
High Inc	242.7	255.5	+1.4	—
Hong Kong	90.4	95.2	-0.3	—
Income	310.8	327.2	+3.9	—
Intl Resources	113.5	119.5	+1.9	—
Japan	294.1	309.6	+1.3	—
UK Select Opps	213.8	225.1	-0.6	—
UK Smlr Cos	267.5	281.6	+1.4	—
Man Gth	279.7	294.5	+2.1	—
Gartmore Funds (formerly Unitised)				
Global Inc & Gwth	99.4	104.7	+0.7	—
Worldwide Recovery	96.8	101.9	+0.9	—
US Select Opps	65.1	68.6	+0.9	—
Japan Select Opps	108.3	114.0	+0.1	—
European Select Opps	97.6	102.8	+0.7	—
Pacific Growth	82.5	86.9	+0.5	—
Intl Managed	71.6	75.4	+0.5	—
Perpetual Funds				
International Growth	95.4	100.5	+0.4	—
Income	96.9	102.0	+1.1	—
Worldwide Recovery	91.1	95.9	+0.5	—
American Growth	66.2	69.7	-0.4	—
Intl Emerging Cos	78.1	82.3	+0.1	—
Far East Growth	121.8	128.3	+0.4	—
European	90.6	95.4	+0.1	—
Managed	88.0	92.7	+0.4	—
TSB Funds				
American	67.2	70.8	+0.4	—
European	99.6	104.9	+0.4	—
Extra Income	117.1	123.3	+0.6	—
General	88.9	93.6	-0.9	—
Gilt & Fixed Interest	89.3	94.1	+0.5	—
Income	101.5	106.9	-0.9	—
Pacific	129.1	135.9	+0.4	—
International	96.1	101.2	-1.0	—
Natural Resources	134.5	141.6	-0.3	—
Selected Opportunities	112.0	117.9	+0.2	—
Managed	111.2	117.1	-0.4	—
Broker Managed				
Blackburn Universal Mng	101.4	106.8	—	—
South Yorks Inc & Gth	122.5	129.0	—	—
Sth Yorks Share P'folio	87.3	91.9	—	—
City Capital Bond	126.3	133.0	—	—
Birchwood	122.3	128.8	—	—
Hardwick Inv. Mngt	95.2	100.3	—	—
Sterling Cap Growth	82.4	86.8	—	—
Cromwell Swift Fund	47.0	49.5	—	—
Andrews Green Inv Ptfl	90.9	95.7	—	—
Stenbeck Inv Man Bd	139.1	146.4	—	—
Walden Dundee Mng	111.6	117.5	—	—
Fosters International	141.5	149.0	—	—
Richards, Longstaff	93.1	98.1	—	—
Heritage Mngd Bond	157.4	165.7	—	—
OOA Gilley Mgd Eq Fd	102.4	107.8	—	—
Gay Broker Fd	104.6	110.2	+1.5	—
J J Barrington Int.Fd	91.6	96.5	—	—
G & T Smaller Cos Fd	100.9	106.3	—	—
Buckingham Mngd Fd	103.1	108.6	-1.3	—
J J Barrington Mngd	82.7	87.1	—	—
Charles Stanley	339.3	357.2	—	—

Royal Life Insurance Ltd
New Hall Place, Liverpool L69 3HS 051-239 3000

Fund	Bid	Offer	+ or -	Yield
Royal Shield Fd	544.0	576.6		—
Royal Life (Unit Linked Assurances) Ltd				
Managed Fund	222.3	234.0	+0.8	—
Equity Fund	272.5	286.8	+1.66	—
Property Fund	208.1	219.0	+0.54	—
International Fund	279.6	294.3	+0.43	—
Pacific Basin	195.7	205.9	-0.2	—
United States Fund	122.9	129.3	-0.1	—
Money Fund	141.8	149.2		—
Gilt Fund	204.1	214.8	-0.1	—
Royal Life (Unit Linked Pensions) Ltd				
Exempt Man Fd Acc	257.0	270.5	+0.6	—
Exempt Equity Fd Acc	482.7	509.1	+2.16	—
Exempt Prop Fd Acc	216.4	227.2	+0.8	—
Exempt Intl Fd Acc	454.1	478.0	+0.8	—
Exempt Fxd Int Fd Acc	229.6	241.6	-0.2	—
Exempt Money Fd Acc	172.6	181.6	+0.1	—

Royal Liver Assurance
Royal Liver Building, Liverpool, L3 1HT. 051 236 1451

Fund	Bid	Offer	+ or -	Yield
UK Equity	48.4	50.9	—	—
Global Equity	39.6	41.7	—	—
High Yield	44.7	47.0	—	—
Intl Equity	43.0	45.3	—	—
Fixed Interest	49.5	52.1	—	—
Money	51.7	54.4	—	—
Managed	47.5	50.0	—	—
Pensions				
UK Equity	47.7	50.2	—	—
Global Equity	36.5	38.4	—	—
High Yield	42.9	45.2	—	—
Intl Equity	40.9	43.1	—	—
Fixed Interest	52.2	54.9	—	—
Money	54.5	57.4	—	—
Managed	47.3	49.8	—	—

Save & Prosper Group (z)
28 Western Rd, Romford RM1 3LB 0708-766966

Fund	Bid	Offer	+ or -	Yield
Bal Inv Fd	464.6	491.7	+0.3	—
Deposit Fd	249.1	263.6		—
Gilt Fd	319.0	337.6	+0.3	—
Global Equity Fd	136.1	144.1		—
Property Fd	80.7	85.4		—
EquityPens. Fd	120.2	127.3		—
Gilt Pens Fd	79.0	83.7	+0.1	—
High Int Pens Fd	76.5	81.0		—
Global Eq Pens Fd	115.2	122.0	+0.2	—
Man Pens Fd	109.1	115.5	+0.1	—
Prop Pens Fd	93.5	99.0		—
A.G. Bond Fd	97.3	103.0	-0.2	—
MLS Inv Fund	61.9	65.6		—
MLS Pens Fund	65.0	68.8	+0.2	—

#Weekly dealings

Scottish Amicable
150 St Vincent St, Glasgow 041-248 2323

Fund	Bid	Offer	+ or -	Yield
Equity	354.0	372.7	-0.1	—
Fixed Interest	218.6	230.2	-0.4	—
International	232.0	244.3	-1.0	—
Property	206.6	217.5	+0.1	—
Cash	157.1	165.4	+0.1	—
Index Linked Gilt	124.5	131.1	-0.4	—
Managed	277.4	292.1	-0.3	—
Exempt Eq. Init	220.7	232.4	-0.2	—
Do. Accum	333.7	351.3	-0.3	—
Exempt Fxd. Int. Init	168.1	177.0	-0.5	—
Do. Accum	254.1	267.5	-0.6	—
Exempt Intnl. Init	163.7	172.4	-0.6	—
Do. Accum	247.5	260.6	-0.8	—
Exempt. Prop. Init	133.1	140.2		—
Do. Accum	201.6	212.2		—
Exempt Cash Init	123.8	130.4		—
Do. Accum	187.2	197.1	+0.2	—
Exempt Man. Init	186.0	195.8	-0.4	—
Do. Accum	281.2	296.0	-0.3	—
Building Society Fd	106.0	111.6	-0.1	—

Scottish Equitable Life Assce. Soc.
28 St Andrew Sq, Edinburgh 031-556 9101

Fund	Bid	Offer	+ or -	Yield
Mixed	141.0	148.5	+0.1	—
UK Equity	130.4	137.3	+0.3	—
International	151.6	159.6	-0.3	—
American	110.5	116.4	-0.4	—
European	143.5	151.1	-0.6	—
Japan	211.7	222.9	-0.6	—
Pacific	187.8	197.7	-0.1	—
Technology	135.5	142.7	-0.2	—
Fixed Interest	119.9	126.3	-0.4	—
Indexed Linked	100.4	105.7		—
Foreign Bond/Currency	139.9	147.3	+0.5	—
Cash	117.131	123.296	+0.026	—
Pens Mixed	366.7	386.1	-0.2	—
Pens UK Equity	387.3	407.7	+0.2	—
Pens International	426.2	448.7	-1.1	—
Pens American	107.7	113.4	-1.0	—
Pens European	142.2	149.7	-0.6	—
Pens Japan	228.0	240.1	-0.2	—
Pens Pacific	167.8	176.7		—
Pens Fixed Interest	196.7	207.1	-0.5	—
Pens Index Linked	120.4	126.8	-0.1	—
Pens Cash	166.966	175.751	+0.056	—
Pens Property	183.9	193.6		—
Pens Ethical	95.8	100.9	-3.0	—
Edinburgh Inv	166.8	175.6	+0.5	—
Baillie Gifford Japan	167.4	176.3	-0.4	—

Scottish Life Investments
19 St Andrew Square, Edinburgh 031-225 2211

Fund	Bid	Offer	+ or -	Yield
Property	163.7	172.4	+0.0	—
UK Equity	190.5	200.6	+0.4	—
American	128.6	135.4	-0.6	—
Pacific	207.8	218.8	+1.1	—
European	227.4	239.5	+0.3	—
International	168.6	177.6	+0.1	—
Fixed Interest	138.8	146.2	-0.2	—
Index Linked	130.7	137.7	-0.4	—
Deposit	129.9	136.8	+0.0	—
Managed	163.4	172.1	+0.0	—
With Profits Pens	51.8	54.6	+0.0	—
Pens. Property	178.0	187.5	+0.1	—
Pens. UK Equity	211.5	222.7	+0.2	—
Pens. American	137.2	144.5	-1.0	—
Pens. Pacific	232.7	245.0	+1.0	—
Pens. European	257.7	271.4	+0.0	—
Pens International	187.4	197.4	-0.1	—
Pens. Fixed Int	165.1	173.9	-0.3	—
Pens. Index Linked	136.2	143.5	-0.4	—
Pens. Deposit	150.0	158.0	+0.1	—
Pens. Managed	182.9	192.6	-0.1	—

Scottish Mutual Assurance Society
109 St Vincent St, Glasgow 041-248 6321

Fund	Bid	Offer	+ or -	Yield
Flex End Nov 15	1047.6	1080.0	—	—
Pen Mngd Nov 30	674.5	695.4	—	—

Scottish Mutual Investments
109 St Vincent St, Glasgow 041-248 6321

Fund	Bid	Offer	+ or -	Yield
Safety Fund	138.4	145.7	-0.2	—
Growth Fund	143.8	151.4	-0.9	—
Opportunity Fund	141.9	149.3	-0.6	—
Worldwide Venture Fnd	106.5	112.2	+0.2	—
UK Equity Fund	147.8	155.6	-0.5	—
UK Smaller Cos. Fund	182.8	192.5	-3.5	—
European Fund	174.8	184.1	+0.7	—
Far Eastern Fnd	123.6	130.2	-0.9	—
Japanese Fnd	118.5	124.8	+0.7	—
North American Fund	107.0	112.7	-0.3	—
International Fund	151.5	159.5	+0.4	—
Gilts & Fxd Int Fund	119.8	126.2	-0.3	—
Index-Linked Fund	115.4	121.5	-0.2	—
Property Fund	120.8	127.2	+0.0	—
Cash Fund	116.9	123.1	+0.0	—
Pens Safety Fnd	151.9	159.9	-0.2	—
Pens Growth Fnd	144.7	152.4	-0.8	—
Pens Opportunity Fnd	145.2	152.9	-0.7	—
Pens W'wide Venture Fnd	108.0	113.7	+0.2	—
Pens UK Equity Fnd	143.9	151.5	-0.5	—
Pens UK Smlr Co's Fnd	173.4	182.6	-3.3	—
Pens European Fnd	151.1	159.1	+0.6	—
Pens Far East Fnd	125.6	132.2	-0.9	—
Pens Japanese Fnd	119.2	125.5	+0.7	—
Pens Nth American Fnd	124.5	131.1	-0.3	—
Pens International Fnd	149.6	157.5	+0.4	—
Pens Gilts/Fxd Int Fnd	120.1	132.8	-0.4	—
Pens Index-linked Fnd	116.3	122.5	-0.6	—
Pens Property Fnd	128.0	134.8	+0.0	—
Pens Cash Fnd	126.0	132.7	+0.1	—
Pens Halifax Fnd	130.3	137.2	+0.1	—

Scottish Provident Institution
6 St Andrews Sq, Edinburgh 031-556 9181

Fund	Bid	Offer	+ or -	Yield
Mixed	159.3	167.8	+0.2	—
Equity	161.1	169.7	+0.6	—
International	161.9	170.5	+0.6	—
Property	206.2	217.1		—
Fixed Interest	131.1	138.1	-0.2	—
Index-Linked	114.9	121.0	-0.2	—
Cash	127.9	134.7		—
Pens. Mixed Init	151.5	159.5	-0.2	—
Do. Ord	177.7	187.2	+0.3	—
Pens. Equity Init	155.3	163.6	+0.5	—
Do. Ord	182.1	192.8	+0.6	—
Pens. Intnl. Init	151.9	160.0	+0.4	—
Do. Ord	178.9	188.4	+0.5	—
Pens. Property Init	203.8	214.6		—
Do. Ord	239.0	251.7		—
Pens. Fixed Int. Init	132.0	139.1	-0.2	—
Do. Ord	155.5	163.8	-0.3	—
Pens. Index-Lkd. Init	103.6	109.2	-0.2	—
Do. Ord	121.8	128.3	-0.3	—
Pens. Cash Init	129.5	136.4		—
Do. Ord	153.2	161.3		—

Scottish Widows' Group
PO Box 902, Edinburgh EH16 5BU 031-655 6000

Fund	Bid	Offer	+ or -	Yield
Inv Pol 1 Dec 9	508.7	508.7	—	—
Inv Pol 2 Dec 9	468.1	492.8	—	—
Inv Pol 3 Dec 9	454.2	478.2	—	—
Inv Pol Cash Dec 9	204.0	214.9	—	—
Mixed Fund	269.7	284.0	+0.6	—
Equity Fund	314.3	331.0	+1.6	—
Property Fund	210.5	221.7	+0.1	—
International Fund	254.5	268.0	-0.1	—
Fixed Int. Fund	212.8	224.1	-0.4	—
Index Stk. Fd	128.0	134.8	+0.2	—
Cash Fd	149.8	157.8	+0.1	—
Pens. Mixed Fd Ord	333.2	350.8	+0.3	—
Pens. Equity Fd Ord	395.0	415.9	-0.8	—
Pens. Prop. Fd Ord	254.8	268.3	+0.2	—
Pens Int. Fd Ord	306.0	322.2	+0.0	—
Pens. F'xd Int Fd Ord	278.8	293.5	-0.4	—
Pens Ind. Stk Fd Ord	141.4	149.0	-0.2	—
Pen. Cash Fd. Ord	200.7	211.4	+0.2	—
PM Man	1441.0	1441.0	+4.6	—
PM St Ex	1451.2	1451.2	+5.0	—
PM Prop	247.1	247.1	+0.1	—
PM Pens Protection	103.2	103.2	+0.0	—
PM Cash	222.6	222.6	+0.1	—
Ex Unit Acc	617.3	637.4		—

Shield Assurance Ltd
40 Uxbridge Rd, W5 2BS 01-567 0700

Fund	Bid	Offer	+ or -	Yield
Shield Life Mngd	102.3	107.9	—	—
Shield Pensions Mngd	105.5	111.3	—	—
Shield Secure	98.4	103.4	+0.1	—
Shield Secure Pens	100.5	105.6	+0.1	—
Shield Brand	92.1	97.1	+0.3	—
Shield Brand Pens	91.8	96.8	+0.2	—

Skandia Life Assurance Co Ltd (z)
Frobisher Hse, Nelson Gte, Southampton 0703 334411

Fund	Bid	Offer	+ or -	Yield
Skandia Life Funds				
Managed Fd	231.4	243.5	-0.5	—
Equity Fd	272.4	286.7	-2.1	—
International Fd	220.2	231.7	-0.1	—
Gilt Plus Fd	194.1	204.3	+0.2	—
Property Fd	189.5	199.4		—
Deposit Fd	178.4	187.7	+0.1	—
North American Fd	109.3	115.0	+0.2	—
North European Fd	186.4	196.2	+0.3	—
Int. Recovery Fd	149.0	156.8	-0.6	—
Pacific Fd	180.5	189.9	-0.5	—
Skandia Fidelity Funds				
American	89.2	93.8	+0.1	—
American Equity Inc	83.5	87.8	+0.3	—
American Special Sits	88.8	93.4	+0.5	—
Australia	75.6	79.5	-1.0	—
Eastern Opps	94.7	99.6	+0.4	—
European	147.7	155.4		—
European Income	93.4	98.3	+0.2	—
Famous Names	68.4	72.0	-0.8	—
Far East Income	118.2	124.4	+0.2	—
Gilt & Fxd Interest	102.9	108.3	+0.4	—
Global Convertible Tst	89.2	93.8	-0.2	—
Growth & Income	109.9	115.6	-0.6	—
Income Plus	121.6	127.9	-0.7	—
International Bond	100.2	105.4	-0.4	—
Japan	121.1	127.4	-0.8	—
Japan Special Sits	148.8	156.6	-0.4	—
Managed International	85.3	89.7	-0.1	—
Recovery	106.3	111.8	-0.5	—
South East Asia	124.8	131.3	-0.1	—
Special Sits	139.0	146.3	-0.6	—
Managed	113.7	119.6	-0.2	—
Skandia Framlington Funds				
American Smllr Co's	78.3	82.4	+0.4	—
American T'around	92.2	97.0	+0.2	—
Capital	190.4	200.4	-1.9	—
Convertible & Gilt	154.0	162.1	-0.5	—
European	115.0	121.0	+0.6	—
Extra Income	240.4	253.0	-1.0	—
Financial	81.9	86.2	+0.2	—
Income & Growth	202.4	213.0	-1.3	—
Intl. Growth	84.0	88.4	-0.3	—
Japan and General	178.1	187.4	-0.7	—
Recovery	174.4	183.5	-0.3	—
Smaller Companies	107.6	113.2	-1.3	—
Managed	139.5	146.8	-0.4	—
Skandia Gartmore Funds				
American	78.1	82.2	+0.2	—
American Sel Opps	69.3	72.9	+0.1	—
Hedged American	126.2	132.8	-1.0	—
Australian	57.6	60.6	-0.7	—
British	150.5	158.4	-1.2	—
European	158.1	166.4	+0.4	—
European Sel Opps	93.1	98.0	+0.3	—
Extra Income	201.8	212.4	-1.6	—
Far Eastern	154.1	162.2	-0.1	—
Fixed Interest	146.9	154.6	+1.3	—
Frontier Markets	98.9	104.1	+1.1	—
Global	135.1	142.2	-0.1	—
Global Inc & Gwth	103.3	108.7	-0.2	—
Gold Share	65.5	68.9	-0.1	—
High Income	209.0	220.0	-1.9	—
Hong Kong	127.5	134.2	+0.1	—
Income	223.1	234.8	-1.7	—
Intl Fixed Interest	112.6	118.5		—
Intl Resources	78.0	82.1	-0.2	—
Intl Sel Opps	73.6	77.4	-0.2	—
Japan	167.5	176.3	-0.7	—
Japan Sel Opps	113.9	119.8	-0.4	—
Pacific Growth	92.5	97.3	+0.2	—
Practical Inv	87.7	92.3	-0.9	—
UK Sel Opps	131.5	138.4	-2.1	—
UK Small Co. Recovery	196.6	206.9	-2.3	—
Worldwide Recovery	93.4	98.3	-0.2	—
Managed	151.9	159.8	-0.2	—
Skandia Henderson Funds				
Special Situations	158.3	166.6	-2.8	—
Recovery	155.1	163.2	-1.9	—
Best of British	92.9	97.7	-0.7	—
Capital Growth	139.9	147.2	-1.0	—
Income and Assets	167.3	176.1	-1.3	—
Income and Growth	192.9	203.0	-1.8	—
High Income	200.1	210.6	-1.3	—
Extra Income	186.6	196.3	-1.4	—
Smaller Co. Divide	197.2	207.5	-2.6	—
Preference and Gilt	130.5	137.4	-0.1	—
Gilt Trust	117.0	123.1	+0.1	—
Gold Trust	51.6	54.3	-0.6	—
Fixed Interest	137.9	145.1	-0.1	—
Financial	167.5	176.3	-1.0	—
Global Resources Tst	76.0	80.0	-0.3	—
Global Healthcare	128.3	135.0		—
Global Inc & Growth	123.9	130.4	-0.7	—
Global Technology	84.1	88.5		—
Best of the World Fd	96.2	101.2	+0.2	—
International	125.1	131.6	-0.2	—
Australian	101.3	106.6	-0.9	—
European Income	91.9	96.7	+0.1	—
European	160.0	168.4	+0.1	—
European Sm. Cos	145.7	153.3	+0.1	—
Hong Kong	103.9	109.3	+0.6	—
Japan Trust	201.9	212.5	-0.9	—
Japan Special Sits	192.2	202.3	-0.1	—
Pacific Smaller Co	159.5	167.8	+0.1	—
Singapore and Malaya	70.5	74.2	+0.1	—
Spirit of the East	80.2	84.4	+0.1	—
North American	88.3	92.9	+0.1	—
American Smaller Co	81.0	85.2	+0.1	—
American Recovery	102.4	107.7	+0.3	—
Prime Residential	95.0	100.0		—
Managed	143.8	151.3	-0.6	—
Skandia Kleinwort Benson Funds				
European	94.4	99.3	+0.4	—
European Special	99.9	105.1	+0.3	—
Extra Income	89.0	93.6	-0.3	—
Fund of Inv Tsts	93.5	98.4	-0.3	—
General	90.5	95.2	-1.1	—
High Yield	90.2	94.9	-1.1	—
Japan	96.3	101.3	-0.4	—
Japanese Special	91.0	95.7	-0.1	—
North American	90.4	95.1	+0.3	—
Pacific	93.8	98.7	-0.5	—
Smaller Companies	87.6	92.2	-1.0	—
UK Equity Growth	86.8	91.3	-0.1	—
Managed	91.2	96.0	-0.4	—
Skandia MIM Britannia Funds				
Growth Gilt	118.4	124.6	-0.1	—
Intl Recovery	141.4	148.8	-0.6	—
Smaller Companies	174.5	183.6	-1.4	—
Special Features	69.9	73.6	-0.9	—
UK Income	196.7	207.0	-2.3	—
Extra Income	174.9	184.1	-2.2	—
Income and Growth	184.8	194.5	-2.1	—
Gilt	119.7	126.0	-0.1	—
Pref Shares	159.1	167.4	-1.1	—
Commodity Shares	83.6	87.9	+0.5	—
Financial Securities	115.1	121.1	-0.9	—
Gold	57.3	60.3	-0.2	—
Intl. Leisure Mark	140.4	147.7	-0.6	—
Intl Income & Growth	110.7	116.5	-0.3	—
Property Shares	169.1	178.0	-0.3	—
Universal Energy	73.3	77.1	+0.3	—
World Technology	66.2	69.6	-0.3	—
American Growth	110.4	116.2	+0.1	—
U.S Income	89.1	93.7	+0.1	—
U.S. Small Co	71.9	75.6	+0.1	—
Australian Growth	59.0	62.1	-0.6	—
Europe Perf	91.2	96.0	+0.3	—
European Sm Cos	117.1	123.2	+0.6	—
Far East	140.6	148.0	-0.2	—
French Growth	80.1	84.3	+0.7	—
Hong Kong Perf	104.5	110.0	+0.1	—
International Growth	128.4	135.1	-0.6	—
Japan Performance	213.4	224.6	+0.2	—
Japan Small Co	169.5	178.4	+0.2	—
Singapore ASEAN Gwth	59.7	62.8	-0.1	—
UK Growth	121.2	127.5	-1.6	—
Managed	121.0	127.3	-0.4	—
Skandia Perpetual Funds				
American Growth	86.1	90.6	+0.5	—
European Growth	93.6	98.5	+0.4	—
Far East Growth	125.3	131.8	-0.1	—
High Income	99.9	105.1	-0.3	—
Income	104.5	109.9	-0.9	—
Intl Emerging C'os	81.6	85.8	-0.3	—
Intl Growth	97.4	102.5	+0.1	—
UK Growth	74.8	78.7	-0.3	—
Worldwide Recovery	90.0	94.7	-0.3	—
Managed	101.5	106.8	-0.2	—
Skandia Royal Trust Funds				
Capital Growth	137.9	145.1	+0.3	—
Pacific Basin	137.8	145.0	+0.1	—
Fin. & Prop Share	157.1	165.3	+0.1	—
International	105.4	110.9	+0.5	—
Fixed & Convertible	129.4	136.2	-0.1	—
Equity Income	186.4	196.2	+5.1	—
High Yield	202.1	212.7	-0.3	—
Preference Share	202.8	213.4	-2.2	—
Smaller Companies	136.7	143.8	-2.9	—
Worldwide Alpha	97.6	102.7	+0.2	—
Managed	150.2	158.1	+0.1	—
Skandia TSB Managed Funds				
TSB American	97.7	102.8	+0.4	—
TSB European Growth	101.3	106.6	+0.4	—
TSB Extra Income	188.3	198.2	-1.1	—
TSB General	144.8	152.4	-1.0	—
TSB Gilt & Fixed Int	122.3	128.7	+0.1	—
TSB Income	189.3	199.2	-1.2	—
TSB Nat Resources	102.9	108.3	+0.1	—
TSB Pacific	168.7	177.5	-0.2	—
TSB International	133.5	140.5	+1.4	—
TSB Selected Opp	165.5	174.2	-1.9	—
TSB Smaller Cos	100.1	105.3	-1.4	—
TSB Managed	130.2	137.0	-0.3	—
Skandia Pensions Managed Funds				
Pensions Managed	323.8	340.8	-0.9	—
Fidelity Managed	122.7	129.2	-0.2	—
Framlington Managed	196.9	207.2	-0.8	—
Gartmore Managed	202.8	213.4	-0.4	—
Henderson Managed	177.8	187.1	-0.8	—
Kleinwort B'son Mngd	90.8	95.5	-0.5	—
MIM Britannia Managed	154.4	162.5	-1.1	—
Perpetual Managed	108.6	114.3	-0.1	—
Royal Trust Managed	164.4	173.0	-0.2	—
TSB Managed	160.1	168.5	-0.6	—
Guaranteed Fd 1993	64.0	67.3		9.12

All funds have equivalent pension funds. Unit prices are available from Skandia Life

Standard Life Assurance Company
3 George St, Edinburgh EH2 2XZ 031-225 2552

Fund	Bid	Offer	+ or -	Yield
Managed	374.3	394.0	+2.1	—
Equity	499.7	526.0	+4.0	—
Fixed Interest	246.0	259.0	-0.5	—
Index-Linked	132.8	139.8	-0.4	—
International	350.5	369.0	+1.3	—
North American	73.8	77.7	+0.3	—
Far East	115.0	121.1	+0.5	—
European	83.0	87.4	+0.3	—
Property	270.1	284.4	+0.1	—
Cash	179.6	189.1	+0.1	—
Pension Managed	495.8	521.9	+2.4	—
Pension Stock Exchange	109.7	115.5	+0.6	—
Pension Equity	674.8	710.4	+5.1	—
Pension Fxd Int	293.0	308.5	-0.5	—
Pension Index-Linked	173.1	182.3	-0.4	—
Pension International	482.6	508.1	+1.7	—
Pension Property	327.1	344.4	+0.1	—
Pension Cash	243.1	255.9	+0.1	—
Pension Nth American	87.4	92.1	+0.4	—
Pension Far East	98.8	104.0	+0.4	—
Pension European	97.6	102.8	+0.2	—

Sun Alliance Insurance Group
Sun Alliance House, Horsham 0403 64141

Fund	Bid	Offer	+ or -	Yield
Life Funds				
Managed Fund	389.5	410.0	+2.0	—
Equity Fund	505.4	532.0	+3.2	—
Fixed Interest Fund	285.1	300.2	-0.1	—
Index Linked Fund	197.1	207.5	-0.2	—
Property Fund	372.9	392.6	+0.7	—
International Fd	343.2	361.3	+3.0	—
North America Fund	104.6	110.2	+0.5	—
Far East Fund	195.9	206.3	+0.4	—
Deposit Fund	198.4	208.9	+0.1	—
Worldwide Bond	101.2	106.6	+0.3	—
Worldwide Financial	81.40	85.70	+0.10	—
Worldwide Technology	78.50	82.70	+1.00	—
European	84.00	88.50	+0.30	—
Equity Income	128.8	135.6	+1.1	—
Intl Bond		643.79	+1.19	—
Pension Funds				
Managed	277.6	292.3	+1.7	—
Equity	308.7	325.0	+2.5	—
Fixed Interest	273.9	288.4	+0.4	—
Index Linked	221.5	233.2	-0.3	—
Property	230.3	242.5	+0.7	—
International	303.5	319.5	+3.1	—
Deposit	198.4	208.9	+0.1	—
Building Society	115.2	121.3	+0.1	—
Worldwide Bond	100.5	105.8	+0.3	—
Equity Income	97.10	102.3	+0.8	—
Fram Intl Growth	75.30	79.30		—
Fram America Smllr Cos	69.30	73.00	+0.10	—
Fram Capital Tst	115.3	121.4		—
Fram Japan & General	167.4	176.3	+0.3	—
Fram America Turnaround	75.00	79.00	+0.20	—

Sun Alliance Insurance Group-Contd.

Fund	Bid	Offer	+ or -	Yield
Fram Recovery Tst	130.1	137.0	+0.6	—
Fram Special Managed	103.8	109.3	+0.2	—
GT International	85.80	90.40		—
GT US & General	73.30	77.20	+0.30	—
GT Amer Spec Sits	68.80	72.50	-0.20	—
GT Japan & General	116.7	122.9	+0.6	—
GT Far East & Gen	98.90	104.2	-0.4	—
GT UK Capital	127.0	133.7	+1.8	—
GT European	81.80	86.20	+0.20	—
GT Special Mngd	92.20	97.10	+0.60	—

Sun Life of Canada (UK) Ltd
Basing View, Basingstoke, RG21 2DZ 0256 841414

Fund	Bid	Offer	+ or -	Yield
Maple Leaf Plans				
Growth Account		861.9	-3.2	—
Managed Account		477.4	-7.5	—
Equity Account		631.9		—
Managed Fd. Accum	225.8	237.7	-1.1	—
Equity Fd. Accum	284.5	299.5	-3.5	—
Property Fd Accum	215.8	227.1	+1.7	—
Fixed Int. Fd. Accum	183.2	192.9	-0.3	—
Intnl. Fd. Accum	270.5	284.7	+2.7	—
Money Fd. Accum	147.9	155.7	+0.2	—
Index-Ld Sec.Fd.Accum	137.0	144.2		—
Pension Plans				
Pers. Pens. Accum		962.1		—
Pers.Mgd.Acc-Fd.Accum	447.8	471.4	—	—
Pens. Equity Fd. Acc	166.8	175.6	—	—
Pens. Prprty. Fd. Acc	173.6	182.7	—	—
Pens. Fixed Int Fd Acc	148.5	156.1	—	—
Pens. Int. Fd Acc	122.8	129.3	—	—
Pens. Money Fd Acc	136.3	143.5	—	—
Pens. Ind-linkd Sec.Acc	120.7	127.0	—	—
Pens. Gtd. Fd. Acc	137.8	145.0	—	—
Uni.Pens.Mgd.Acc.Fd.Acc	102.4	107.8	—	—
Uni.Pens.Equity Fd.Acc	100.5	105.8	—	—
Uni.Pens.Property Fd.Acc	124.3	130.9	—	—
Uni.Pens.Fixed Int.Fd.Acc	101.8	107.2	—	—
Uni Pens.Int.Fd.Acc	98.3	103.5	—	—
Uni.Pens.Money Fd.Acc	103.6	109.1	—	—
Uni.Pens.Ind.Ld.Sec.Acc	115.1	121.2	—	—
Uni.Pens.Gtd.Fd.Acc	106.2	111.8	—	—

Sun Life Unit Assurance Ltd
St James Barton, Bristol BS99 7SL 0272 426911

Fund	Bid	Offer	+ or -	Yield
Managed Acc	485.1	510.7	+0.5	—
Property Acc	310.0	326.4	+0.7	—
Equity Acc	682.0	717.9	-0.1	—
Fixed Interest Acc	236.4	248.9	-0.3	—
Index-Linked Acc	122.4	128.9		—
Cash Acc	209.5	220.5		—
American Equity Acc	184.3	194.0		—
U.S. Bonds Acc	114.0	120.0	+0.5	—
Japan Acc	286.3	301.4	-1.2	—
Pacific Acc	130.8	137.7	+0.4	—
Far Eastern Acc	441.9	465.2	-1.1	—
International Acc	307.4	323.6	-0.2	—
U.S. Dollar Acc	87.0	91.6	+0.3	—
Yen Acc	130.3	137.2	+0.4	—
European Currency Acc	115.6	121.7	+0.1	—
Distribution	208.5	219.5		7.77
European	97.2	102.4	+0.1	—
Anniversary Bond		80.9		—
Sun Life Pensions Management Ltd				
Bonds for individual pension contract				
Pens. Managed Acc	578.6	609.1	+0.4	—
Pens. Property Acc	285.9	301.0	+0.9	—
Pens. Equity Acc	810.0	852.7	-0.5	—
Pens. F. Interest Acc	257.3	270.9	-0.3	—
Pens. Ind. Lnkd. Acc	137.8	145.1	-0.1	—
Pens. Cash Acc	237.8	250.4	-0.4	—
Pens. Amer. Equity Acc	179.2	188.7	-0.4	—
Pens. U.S. Bonds Acc	127.7	134.5	-0.4	—
Pens. Japan Acc	311.6	328.0	-1.0	—
Pens. Pacific Acc	157.3	165.6	+0.1	—
Pens. Far Eastern Acc	662.5	697.4	-1.6	—
Pens. Internat. Acc	367.1	386.5	-0.6	—
Pens. U.S. Dollar Acc	102.1	107.5	+0.3	—
Pens. Yen Acc	164.7	173.4	+0.4	—
Pens. Euro. Curr. Acc	124.9	131.5	+0.3	—
Pens. Euro. Acc	102.3	107.7	+0.2	—
Pens. Bldg Soc	100.7	106.0		—

Swiss Life Pensions Ltd
99-101 London Rd, Sevenoaks 0732 450161

Fund	Bid	Offer	+ or -	Yield
Equity	£287.09	295.96	—	—
Fixed Int	£188.66	189.60	—	—
Index Linked	£135.40	136.08	—	—
Property	£328.68	338.84	—	—
Cash	£171.83	171.83	—	—
Mixed	£243.37	250.89	—	—
International	£159.66	164.59	—	—

Next sub day Dec 7

TSB Life Ltd
Charlton Pl, Andover, Hants. SP10 1RE 0264 56789

Fund	Bid	Offer	+ or -	Yield
Managed Fund	164.0	172.7	-0.6	—
Property Fund	148.1	155.9	-0.1	—
Fixed Int Fund	144.0	151.7	-0.1	—
Money Fund	133.3	140.4	+0.0	—
Equity Fund	207.4	218.0	-1.1	—
Homebuyer Fund	130.5	137.4	-0.3	—
Managed Inv Fund	98.2	103.5	-0.2	—
TSB Pensions Ltd				
Managed Pension	533.4	561.6	+1.6	—
Deposit Pension	135.4	142.6	+0.0	—

Target Life Assurance Co Ltd
Target House, Gatehouse Road, Aylesbury, Bucks Aylesbury (0296) 394000

Fund	Bid	Offer	+ or -	Yield
Managed	382.0	402.2	-2.0	—
Property	327.2	344.5		—
Fixed Int	198.2	208.7	-1.3	—
UK Equity	524.6	552.3	-4.6	—
Int. Equity	235.7	248.2	+0.9	—
Deposit	172.8	181.9	+0.1	—
Managed Property	287.1	302.3	+2.6	—
American Eagle	91.2	96.0	+0.4	—
Worldwide Income	148.0	155.8	+0.3	—
Pacific	168.8	177.7	+0.3	—
Australian	23.3	24.6	-0.4	—
Japan	334.1	351.7	-0.3	—
Commodity	82.8	87.2		—
Gold	68.9	72.6	-0.3	—
Financial	191.1	201.2	+0.7	—
Income	247.5	260.6		—
Special Situations	175.8	185.1	-1.9	—
Convertible	98.8	104.0	+0.2	—
Preference	189.1	199.1		—
International Bond	87.2	91.8	-0.4	—
European Spec. Sits	132.0	139.0		—
Sterling		7.6		—
Residential Property	91.2	96.0		—
Pension Funds				
Managed Pension	1260.8	1327.2	+10.4	—
Gilt Pens	420.4	442.6	+0.5	—
Property Pens	830.8	874.6	+7.7	—
Equity Pens	501.6	528.1	-3.6	—
Index-L Plan	150.6	158.6		—
Guar. Pen	313.2	329.7	+0.3	—
Leicester Retirement	188.4	198.4		—
Deposit Pension	102.1	107.5		—

Prices quoted are for Accumulation units

Teachers' Assurance Company Ltd
12 Christchurch Rd, B'mouth BH1 3LW 0202 291111

Fund	Bid	Offer	+ or -	Yield
Managed Fund	196.6	207.0	—	—
Gilt & Fixed Int Fd	148.5	156.3	—	—
Cash Fund	135.1	142.2	—	—
Pensions Managed	90.2	94.9	—	—
Pensions Cash	103.1	108.5	—	—

Tunbridge Wells Equitable
Abbey Court, Tunbridge Wells 0892 515353

Fund	Bid	Offer	+ or -	Yield
Assurances				
Capital & Income	274.0	290.0	—	—
C&I Regular	50.9	53.6	—	—
C&I Exempt	51.6	54.3	—	—
Prize Plan Exempt		132.6	—	—
Do. Taxable		118.5	—	—
Beehive Bond Exempt		47.9	—	—
Do. Standard		46.3	—	—
Dominion Growth Exempt		28.40	—	—
Dominion Growth		38.50	—	—
Kimmins Funds				
Life Assurance	524.40	540.60	—	—
Savings Narrow	232.60	239.80	—	—
Savings Wide	523.00	539.20	—	—
Pensions				
Managed Initial	77.4	81.5	—	—
Do. Ordinary	86.6	91.2	—	—
Deposit Initial	98.1	103.3	—	—
Do. Ordinary	110.0	115.8	—	—

UK Life Assurance Co Ltd
Worthing Rd., Horsham, RH12 1SL 0403 40033

Fund	Bid	Offer	+ or -	Yield
Managed	99.6	104.9	—	—
Property	141.2	148.6	—	—
Equity	130.5	137.4	—	—
International	87.8	92.4	—	—
Fixed Interest	110.3	116.1	—	—
Deposit	109.8	115.5	—	—
Langham "A" Plan	108.7	114.4	—	—
Langham Prop Bond	638.0	671.5	—	—
Langham Wsp Managed	167.3	176.1	—	—
Pension Funds				
Managed Capital	85.4	89.9	—	—
Managed Accum	98.71	103.9	—	—
Property Capital	136.4	143.6	—	—
Equity Capital	114.6	120.7	—	—
Intl Capital	70.0	73.7	—	—
Fxd Int Capital	101.4	106.8	—	—
Deposit Capital	103.8	109.3	—	—
Langham Harvest	261.7	275.4	—	—

Wesleyan & General Assurance Soc
Colmore Circus, Birmingham, B4 6AR 021-200 3003

Fund	Bid	Offer	+ or -	Yield
Managed Fd	172.8	181.6	—	—
Pens Managed Fd	98.90	104.0	—	—

Windsor Life Assur Co Ltd
Windsor House, Telford, Shropshire 0952 292929

Fund	Bid	Offer	+ or -	Yield
Accum. Pen. Units	546.7	575.5	—	—
American	213.0	224.2	—	—
Deposit	185.6	195.4	—	—
Far East Fd	234.6	246.8	—	—
Flex. Inv. Growth	309.9	326.3	—	—
Fut.Ass.Gth	349.00	279.00	—	—
Gilt	237.0	249.5	—	—
Grand Rent & Gilt Fd	163.6	172.2	—	—
High Inc. Equity	283.8	298.7	—	—
High Inc. Fixed Int	123.8	130.1	—	—
Hedge Fund	323.9	341.0	—	—
Index-Linked Gilt	139.5	146.9	—	—
Initial Pen Units	358.1	376.9	—	—
Investor Units	264.6	278.6	—	—
Kiwi Key (Managed)	555.3	572.5	—	—
N. Amer. Fund	171.4	180.4	—	—
Oper Plan Mngd Fd	253.6	267.0	—	—
Pacific	558.3	587.7	—	—
Property	208.4	219.3	—	—
Ret Ass Pen		£144.7	—	—
Retail & Rsrs'ty Life	135.4	135.4	—	—
Retail & Rsrs'ty Pen Uts	148.8	148.8	—	—
Takeover Fund	468.4	493.0	—	—
UK Equity	297.1	312.7	—	—

Zurich Life Assurance Co Ltd
11 Guildhall Walk, Portsmouth PO1 2LR 0705 822200

Fund	Bid	Offer	+ or -	Yield
UK Managed	94.5	99.4	-0.1	—
International	94.9	99.9	—	—
Swiss	94.5	99.5	—	—
UK Equity	94.2	99.2	—	—
UK Gilt & Fixed Int	95.3	100.3	—	—
Security	95.3	100.3	—	—

MANAGEMENT SERVICES

David M. Aaron (Personal Fin. Plnrs.) Ltd
The Old Town Hall, Toddington, Beds 05255 5282

Fund	Bid	Offer	+ or -	Yield
D.Aaron Mngd Ryl H	136.2	143.4	+0.4	—
D. Aaron Mngd Targ Bd	161.1	169.6	+0.5	—
D. Aaron Mngd Targ Pens	80.1	84.4	+0.3	—
Opus Con Shan Bond	95.2	100.2	-0.4	—
Opus Con Shan Pens	103.7	109.1	-0.4	—

The Analysis Group PLC
1 Park View, Harrogate, HG1 5LY 0423 523311

Fund	Bid	Offer	+ or -	Yield
Life Managed Funds				
APM Managed (SKHL)	152.1	160.1	-0.3	—
APM Intrntl Inv (RH)	116.4	122.6	—	—
APM High Yield	92.0	96.9	—	—
APM B.I. & Growth	96.2	96.2	—	—
APM Bond Fund (Target)	76.4	80.5	-0.3	—
APM Univ Bd (S & P)	42.7	45.2	—	—
Pensions Managed Funds				
APM Exclusive Pen (RH)	125.9	132.8	—	—
APM Mngd Pen (SKHL)	529.8	557.6	-2.1	—
APM Mngd Pen (Target)	70.2	73.9	-0.5	—
APM Univ Pen (S & P)	50.6	53.6	—	—

Atticus Financial Services Ltd
2 The Windmills, Turk St, Alton GU34 1EF 0420 80266

Fund	Bid	Offer	+ or -	Yield
LAS Man Life	117.0	123.2	(z)	—
NEL Brit Marco Polo		111.7	(z)	—
NEL Brit Monthly Inc	107.2	112.8	(z)	—
NM Schroder Man Life	119.7	126.0	(z)	—
NM Schroder Man Pen	134.5	141.8	(z)	—
Scot Eq Man Pen	97.7	102.8	(z)	—

Blackstone Franks Plc
26-34 Old Street, London EC1 01-250 3300

Fund	Bid	Offer	+ or -	Yield
BF Worldwide SGF	£8.93	9.46	+0.07	—
BF Priv Client Port	£1.341	1.412	+0.002	—
BF Priv Cl't Pen Pl	£1.064	1.120	-0.005	—

Bryan Walls & Partners Ltd
Passon Hse, 25 Haymarket, Ldn, SW1 01-930 8228

Fund	Bid	Offer	+ or -	Yield
Schroder Pen Fd	99.20	104.4	-0.3	—
Target Pen Fd	52.8	55.6	-0.1	—
Target Bond Fd	77.9	82.1		—

Cameron Law & Company Ltd
148/149 Gt Charles St, Birmingham B3 3HT 021 200 3132

Fund	Bid	Offer	+ or -	Yield
Moneymaker Mngd	143.6	151.2	-0.8	—
Moneymaker Spec Sits	67.80	71.4	-0.1	—
Moneymaker Growth	69.0	72.7		—
Griffin Fd	150.7	158.5	-0.5	—
High Yield Inv Fd	102.3	107.6	-1.2	—
Gresham Funds				
Managed Intl	92.9	99.7	—	—

James Campbell & Son Financial Services
38 Railway Rd, Coleraine Co. Londonderry 0265 44321

Fund	Bid	Offer	+ or -	Yield
Investment Portfolio	124.3	130.9	+0.1	

Chase de Vere Investments Ltd
63 Lincoln's Inn Fields, London WC2A 3JX 01-404 5766

Fund	Bid	Offer	+ or -	Yield
Safeguard Fd	91.8	96.7	-0.6	
United Kingdom Fd	143.0	150.3	-1.5	
Worldwide Fd	94.8	99.7	+0.2	

Clifton Financial Mgmnt Ltd
27 Berkeley Square, Bristol BS8 0272 225331

Fund	Bid	Offer	+ or -	Yield
Managed Gth Fd	104.5	110.1	—	—

Drummond Moores Plc
1 Maddox Street, London W1R 0DE 01-439 1061

Fund	Bid	Offer	+ or -	Yield
Fnr Man Fd (Target) Pens	72.5	76.4	-0.1	—
DMC Priv Fd Ska Pension	143.0	150.5	-0.4	—

First Financial Services PLC
One Mitre Sq, London, EC3A 5AN 01-283 2500

Fund	Bid	Offer	+ or -	Yield
Private Fund Accum Ltd	137.4	144.7	—	—

The Fitzgrade Group
2nd Flr, 23 Maddox St, London, W1 01-409 3337

Fund	Bid	Offer	+ or -	Yield
Prudent Fund (SkKz)	90.4	95.1	-0.3	—

Gartmore Fund Managers Ltd
Safeguard, underwritten by General Portfolio Life Ass. Admin. 0992 31971. Enq. 01-623 1212

Fund	Bid	Offer	+ or -	Yield
Safeguard Fund	20.3	22.1	—	—

Hinton Hill (L. & P) Ltd
1 The Crescent, Leatherhead, KT22 8DH 0372 377811

Fund	Bid	Offer	+ or -	Yield
HH Balanced Gwth	88.4	93.0	-0.5	—
HH Managed	74.8	78.8	-0.2	—
HH International	84.5	89.0	-0.3	—
HH Actively Managed	99.0	104.2		—

Hurstminster Financial Services (CY) Ltd

Fund	Bid	Offer	+ or -	Yield
HFS NEL Mngd Fd	98.0	103.2	-0.2	—
HFS Scandia Mngd Fd	153.2	161.2	-0.6	—
HFS GRE Mngd Fd	109.7	115.5	+1.0	—
HFS Scot Life Mngd Fd	218.9	225.3	+0.1	—
HFS Sun Allnce Mngd	99.9	105.2	+0.1	—
HFS Sun All Int Mgd Stg	£1.27	1.04		—
HFS Sun All Int Mgd $	$0.97	1.00		—
HFS M & G Mngd Acc	81.4	85.6	+0.1	—
HFS M & G Mngd Cap	84.6	89.2		—
HFS Generali Mngd Fd	114.1	120.2	+0.2	—
HFS Target Mngd Fd	106.1	111.7	+0.4	—
HFS Roy Int Mgd	98.7	104.0		—

Investment Portfolio Services Ltd
15 Manchester Sq., London W1M 5AE 01-486 0177

Fund	Bid	Offer	+ or -	Yield
IPS Investment Bond Managed Fd				
IPS Bond Fd	162.0	170.8	-0.6	—
IPS Global Gwth Fd	93.2	98.1	-0.8	—
IPS Masterfund		114.9	-0.1	—
IPS Secure Gilt Fnd	83.2	87.1	-0.3	—
Speculate to Acc Port	138.7	146.0	-0.4	—

Johnson Fry Plc
Princes Hs 36 Jermyn St, Ldn SW1Y 6DT 01-439 0924

Fund	Bid	Offer	+ or -	Yield
J. Fry Man M&G Fd (z)	133.7	140.5	+0.2	—
J. Fry Man Tryt Pef Fd (z)	73.2	77.1	-0.5	—
J. Fry Man Per Holborn Fd	77.6	81.7	-0.1	—
J. Fry Norwich Union	75.1	79.1	+0.4	—
J. Fry Skandia Prosint	75.3	79.4	-0.3	—
J. Fry L & M Secure		146.8	-0.3	—

Kingsdale Financial Management
24 Portland Square, Bristol, BS2 0272 429041

Fund	Bid	Offer	+ or -	Yield
Kingsdale Man Gwth	0.976	1.027	—	—

Knight Williams & Company Ltd
161 New Bond Street, London W1Y 0LA 01-408 1138

Fund	Bid	Offer	+ or -	Yield
KW M&G Managed Inc	108.1	113.6		—
KW Henderson Man 1	93.3	100.4	-0.2	—
KW Henderson Man 2	85.0	89.5	-0.8	—
KW GRE Managed	90.8	95.6	-0.1	—
KW Schroder Man	107.8	113.5	-0.1	—
KW Prolific Man	100.8	106.2		—
KW CM&G Fd Man (z)	106.6	112.3	+0.1	—
KW Albany Man	102.6	108.0	-0.7	—
KW Crown Man	95.0	99.9		—
KW NM Schroder Int Man	99.41	104.6	-0.5	—
KW Norwich Union Man	86.0	90.5	+0.5	—
KW M & G Cap	72.5	76.2		—
KW Henderson Mngd 3	85.9	90.5	-0.5	—
KW Albany Mngd Inst	95.8	100.8	-0.6	—
KW Schroder Man. Cap	102.3	107.6	-0.2	—

Lamont & Partners Plc,
42 Hertford Street, W1Y 7TF 01-629 4509

Fund	Bid	Offer	+ or -	Yield
Private Mangd Accum	138.3	145.6	-0.9	—
Private Speculator		83.83	+0.00	—
Private Portfolio (z)	95.7	100.7	-0.2	—

M & E Financial Management Plc
Royal Hse, Sovereign St., Leeds 0532 435200

Fund	Bid	Offer	+ or -	Yield
M&E RH. Man Fd	129.5	136.4	—	—
M&E GRE Man Fd(z)	121.1	127.5	-0.5	—
M&E Eq Law Man Fd(z)	115.3	121.3	—	—
M&E Crown Man Fd(z)	106.3	111.8	—	—
M&E Schroder Man Fd	90.9	95.6	-0.1	—
M&E Schroder Pen Fd(z)	119.2	125.4	-0.1	—
M&E Target Pen Fd(z)	67.6	71.2	—	—
M&E Prov Cap Man Fd	85.9	90.6	-0.1	—

Marsh Financial Management Ltd (0076)
2/4 Vale Ave, Tunbridge Wells. TN1 1DJ. 0892 515616

Fund	Bid	Offer	+ or -	Yield
Marsh (M&G) Fund	93.7	98.5	+0.1	—
Marsh (M&G) Pen Fd	114.0	119.8		—
Marsh (Target) Fund	98.10	103.3	-2.0	—
Marsh (Target) Pens Fd	59.3	62.5	-8.4	—
Marsh (Schroder) Fund	100.2	105.4	-0.1	—

Noble Lowndes & Partners Ltd
PO Box 144, Croydon 01-686 2466

Fund	Bid	Offer	+ or -	Yield
Lowndes I (Cls Med Kd)	115.2	121.3	+0.1	—
Lowndes II (Cls Med Kd)	100.1	105.4	+0.2	—
Lowndes (Scot. Equit.)	104.9	110.4		—

The Normaster Group
71, London Rd, Peterborough, PE2 9BB 0733 42200

Fund	Bid	Offer	+ or -	Yield
Mngd. Scot. Mut	100.6	105.9	-0.1	—
Pen. Scot. Mut	97.2	102.4		—
Man-Schroder	101.9	107.2	+0.2	—
Pen Man-Schroder	105.2	110.7	+0.2	—
Man. Target	90.5	95.3	+0.3	—
Pen. Man. Target	50.1	52.8		—
Man Scot. Equit	85.1	89.6	-0.1	—
Enterprise Growth	93.6	98.6		—
Spectrum Safety	95.0	100.0	-0.3	—
Do Balanced	95.4	100.4	-0.1	—
Do Adventurous	97.0	102.1	-0.1	—
Barrington Global	102.8	108.2	+0.3	—
Bar. Global Pens	111.3	117.2		—

O'Halloran & Co/Countrywide
7 Cavell Ct, North St, Peterborough PE1 2RA 0733 44830

Fund	Bid	Offer	+ or -	Yield
Managed Fd	109.8	115.6	+0.1	—

PBR Fund Management Ltd
16 Northumberland Avenue, WC2N 5AP 01-839 6876

Fund	Bid	Offer	+ or -	Yield
Flexi-Bond	127.6	134.1	-0.1	—
Flexi Pension Bond	118.4	124.4	+0.1	—
Managed Bond		108.1	-0.2	—
Managed Pension		112.9	-0.2	—

The Porchester Group
91 Wimpole Street, London W1M 7DA 01-493 9090

Fund	Bid	Offer	+ or -	Yield
Porchester Managed Funds				
Albany (z)	112.7	118.6	-0.1	—
Cornhill (z)	86.5	91.5		—
Irish Life (z)	121.0	127.4		—
Schroder (z)	102.0	107.1	+0.1	—
Skandia (z)	106.7	112.3	-0.2	—
Target (z)	102.3	107.7	+0.1	—
Trident (z)	102.1	107.5	-0.2	—
Porchester Managed Pension Funds				
Albany (z)	121.1	127.5	-0.2	—
Schroder (z)	100.1	105.3	+0.1	—
Skandia (z)	125.0	131.5	-0.1	—
Target (z)	107.0	113.7	+0.1	—

Managed by Porchester Securities Limited

Roxborough Financial Management Ltd
123-125 Curtain Road, London EC2A 3BX 01-739 7117

Fund	Bid	Offer	+ or -	Yield
Managed Fd (MI)		93.8	-0.1	—
Pension Managed (MI)		85.0	-0.1	—
Discretionary Fd (MI)		118.2	-0.1	—
Discretionary Pen Fd (MI)		89.7		—
Multi-Trust Fd (SOL)	83.1	87.4	-0.1	—
Fortress Pens Fd	99.0	104.2	+0.3	—
Chesterton Mngd (SM)	149.1	157.0		—
Mutual Master (SM)	100.3	105.6		—

Sharp (Albert E.) & Co
12 Newhall Street, Birmingham B3 3ER 021-200 2244

Fund	Bid	Offer	+ or -	Yield
Man-Clerical Med	130.6	137.5	+0.4	—
Pens. Man-Schroder	547.1	575.8	+2.6	—

Siltala Fund Managers Limited
Siltala House, The Causeway, Bishop's Stortford, Herts. 0279 757696

Fund	Bid	Offer	+ or -	Yield
Siltala Managed Funds				
Royal Heritage CGF	122.6	129.1	—	—
Henderson CGF	106.7	112.4	—	—
Crown Life CGF	77.5	81.5	—	—
LAS CGF	76.8	80.9	—	—
Royal Heritage HIF	128.6	135.4	—	—
Pru Holborn HIF	119.6	125.9	—	—
LAS HIF	83.5	87.9	—	—
Royal Heritage RHB	112.4	118.4	—	—
Siltala Offshore Funds				
Royal Life CGF	92.7	99.7	—	—
Royal Life HIF	98.8	106.3	—	—
Siltala Pension Funds				
Royal Heritage MPF	130.2	137.1	—	—
Crown Life GMPF	97.5	102.6	—	—

Tattersall Investment Mngt. Ltd
Waverley Ct, Wittel Rd, Lichfield, Staffs 0543 414848

Fund	Bid	Offer	+ or -	Yield
TIM Mngd Growth Fd	101.9	107.3	—	—
Exempt Fd (Accum)	89.9	94.7	—	—

Towry Law & Co
57 High St, Windsor, SL4 1LX 0753 868244

Fund	Bid	Offer	+ or -	Yield
Albany Life	96.8	101.9		—
Clerical & Medical (z)	102.8	108.3	+0.3	—
Guardian Royal Exch	84.1	88.6	-1.4	—
M & G Ass (Life)	106.7	112.3		—
M & G Ass (Pens)	119.6	125.6	+0.3	—
N. M. Schroder	87.2	91.7	-0.1	—
N. M. Schroder Pens	87.6	92.2		—
Norwich Union Ass Mgt	48.9	51.5	+0.3	—
Royal Life (Unit Lnkd Ass)	99.2	104.4	+0.1	—
Scot Equitable (Life)	135.5	142.6	+0.2	—
Scot Equitable (Pens)	98.6	103.8	-0.2	—
Scot Mutual (Life)	150.7	158.7	+0.2	—
Scot Mutual (Pens)	137.2	144.5	+0.3	—
Scot Mutual Venture Fd	98.6	103.8	+0.2	—
Prudential Holborn	100.9	106.3		—

University Medical General Ltd.
29 Gt George St, Bristol BS1 5QT 0272 276954

Fund	Bid	Offer	+ or -	Yield
TIM Fd No. 1 (Skandia)	94.0	98.9	-0.4	—

J. D. Ward Financial Services Ltd
9 Kingsway, London, WC2 86XF. 01-836 4321

Fund	Bid	Offer	+ or -	Yield
Target Mngd Bond	177.1	186.5	-0.6	—
Target Mngd Pension	107.6	113.3	-0.5	—
Albany Life Acc	160.0	168.4	+0.4	—
Albany Pens Acc	195.0	205.1	+0.6	—

Yorkshire & Lancashire Investment Mngt.
Saltburn House, Clitheroe, BB7 2JN 0200 28066

Fund	Bid	Offer	+ or -	Yield
Growth & Income (RH)	155.5	163.7	—	—
Ultra Bond (Roy H)	140.7	148.2	—	—
Global Managed (Schr)	153.6	161.6	—	—
Pension Fund (Roy.H)	118.0	124.3	—	—
High Inc Bd (P.Cap)		101.8	—	—

OFFSHORE AND OVERSEAS

UK LISTED

AEtna Federated Intl Mngrs (Lux) SA
Tel: 0800 010 575
AEtna Federated Intl Umbrella Fund

Fund	Bid	Offer	+ or -	Yield
Growth Funds				
American Equity		$5.20	-0.02	—
Asian Equity		$5.18	-0.02	—
Australian Equity		A$4.79	-0.03	—
European Equity		$5.56	-0.03	—
Japanese Equity		$4.97	-0.02	—
UK Equity		£4.76	+0.02	—
Income and Growth Funds				
American Inc & Gwth		$5.18	-0.01	—
European Inc & Gwth		$5.23	-0.03	—
Pac Basin Inc & Gwth		$5.51	-0.02	—
UK Inc & Gwth		£5.09	+0.03	—
Income Funds				
Australian $ Bond		A$5.09	+0.01	—
Canadian $ Bond		C$5.23	-0.01	—
Deutschemark Bond		DM5.08	+0.01	—
Mngd European Bd		$5.02	-0.02	—
Sterling Bond		£5.03	-0.01	—
US Dollar Bond		$5.07		—
Yen Bond		Y509	-1.00	—
Liquid Reserve Fund				
Deutschmark Res		DM5.09		—
Sterling Reserve		£5.29	+0.01	—
US Dollar Res		$5.39		—
Yen Reserve		Y508		—

The Bangkok Fund
c/o 18/20 The Pollet, St. Peter Port, Guernsey
Merrill Lynch Intl Capital Mngmt (Gsy) Ltd
Tel: 0481 710651 Fax: 0481 710284
Dec 7 Nav US$34.94 Baht (875.86) for info only

Brazil Capital Services Ltd
1 White Hart Yd, London Bridge SE1 1NX 01-407 5966

Fund	Bid	Offer	+ or -	Yield
The Brazil Fd		$1.34	—	

CMI Financial Mngmt Services Ltd
Clerical Medical Hse, Douglas, Isle of Man. 0624 25599

Fund	Bid	Offer	+ or -	Yield
Safeguard Portfolio	97.2	103.5	+0.1	—
Growth Portfolio	80.9	86.2	+0.3	—
Enterprise Portfolio	70.4	75.0	+0.2	—

Capital House Fund Mngrs. (C.I.) Ltd
PO Box 189, Capital Hse, Bath St., St. Helier, Jersey
Tel: 0534 74689 (Dealing) 0534 75639 (Helpline)
Facsimile 0534 79040 Telex: 4192136

Fund	Bid	Offer	+ or -	Yield
Capital House International Growth Funds Ltd ♦				
Equities				
UK Equity	£0.88	0.94	+0.01	—
North American	$1.34	1.42	-0.01	—
Japanese	$1.65	1.75	-0.01	—
Pacific Basin	$1.93	2.04	-0.02	—
Continental European	$1.79	1.90		—
Gold	$1.33	1.41	0.02	

Capital House Fund Mngrs.—Contd.

Fund	Bid	Offer	+ or -	Yield
Bonds				
Sterling Bond	£1.24	1.32		—
International Bond	$1.78	1.89	-0.01	—
Currencies				
£ Sterling		£19.33		11.73
US$		$16.37		7.81
Japanese Yen		Y3286		3.88
D Marks		DM52.00	+0.01	4.07
Swiss Francs		SF49.36		3.35
Fr Francs		FFr193.70	+0.04	6.99
Ecu's		Ecu23.34	+0.01	4.49
Managed				
Intl Portfolio	$1.51	1.60	-0.01	—
Managed Currency	$1.82	1.92	-0.01	—

Cater Allen Investment Management (CI)
Cater Allen House, St Helier, Jersey, CI 0534 78898

Fund	Bid	Offer	+ or -	Yield
CA Gilt Income	£8.45	8.83		13.59
CA Gilt & Futures	113.00	117.00		6.83
CA Equity Growth	£11.17	12.01	+0.10	3.33
CA Dollar Inc	$10.10	10.11		5.93

Citibank (CI) Ltd "Citifunds"
Green Street, St Helier, Jersey, CI 0534 70334

Fund	Bid	Offer	+ or -	Yield
Liquidity Funds				
Deutschmark		DM24.286	+0.004	—
Yen		Y2516.962	+0.239	—
Sterling		£8.377	+0.001	—
Swiss franc		SFr21.945	-0.006	—
US dollar		$14.633	+0.006	—
Managed		$14.659	-0.018	—
Short-term Investment Funds				
SWF Dec 7		SFr152.350	+0.136	—
Irish £ Dec 7		£5.280	+0.120	—
US $ Dec 7		$12.118	+0.008	—
Equity Funds				
Global Equity Dec 12	$13.651	13.900	+0.040	—
UK Equity Dec 12	£7.397	7.520	-0.167	—
Japan Equity Dec 7		$13.096	-0.202	—
European Equity Dec 12		$11.075	+0.031	—
HK Equity Dec 12		$9.097	+0.113	—
US Em Hlth Dec 12		$8.892	+0.101	—
US Spec Sits Dec 12		$12.328	+0.052	—
US Em Tech Dec 12		$7.996	+0.400	—
Citicare Dec 12		$15.137	+0.154	—
Bond Funds				
Global Bond Dec 12	$12.094	12.095	-0.078	—
GNMA Bond Dec 12	$10.519	10.528	+0.010	—
HYB (A) Dec 12		$103432.490	+789.358	—

Delta Group
PO Box 3012, Nassau, Bahamas

Fund	Bid	Offer	+ or -	Yield
Delta Inv Dec 6	$4.53	4.76		—
Delta Stlg Dec 6	£3.0712	3.2327		—

Agents: Kleinwort Benson (Guernsey) Fd Mngrs

EBC Trust Company (Jersey) Ltd
1-3 Seale St, St Helier, Jersey 0534 36331

Fund	Bid	Offer	+ or -	Yield
EBC Amro Traded Currency Fund Ltd*				
Income	$14.05	14.904	-0.031	4.52
Capital	$19.83	20.445	-0.052	—
EBC Amro Currency Income Fund*				
Income	£9.42	9.9015	+0.0105	2.32

*Offer price includes 5% prelim. charge

Foreign & Colonial Mngt (Jersey) Ltd
PO Box 455, 7-11 Britannia Place, Bath Street St. Helier, Jersey 0534 58844

Fund	Bid	Offer	+ or -	Yield
A-US$ Cash		$10.23xd	—	9.00
B-Multicurrency Cash		£15.24xd	—	7.50
X-Cash		£10.41xd	—	12.50
C-US$ Bonds		$12.56xd	—	9.00
D-Multic'rcy Bonds		£17.69xd	—	8.00
E-Sterling Bonds		£11.25xd	—	10.00
F-D Mark Bonds		DM10.64xd	—	6.00
G-Yen Bonds		Y1137xd	—	4.50
H-Ecu Bonds		Ecu10.90xd	—	7.50
L-UK Equities		£9.30xd	—	11.50
M-US Equities		$13.21xd	—	7.00
N-Japanese Equities		Y1333xd	—	2.50
O-Global Equities		$12.65xd	—	7.00
V-Velocity		$9.92xd	—	10.00
Z-Gold		$9.69xd	—	8.00

Framlington Overseas Fund Mngt. Ltd
PO Box 255, 18-20, Pollet Guernsey 0481-710651

Fund	Bid	Offer	+ or -	Yield
Far East Fund (Fwd.)	£1.022	1.075		—
Income & Growth (Ther)	£0.640	0.672		1.92
Managed Portfolio	£0.609	0.641	-0.002	—

GT Management Plc
8th Floor, 8 Devonshire Sq, London EC2M 4YJ
Tel:01-283 2575 Telex:886100
London Agents for:

Fund	Bid	Offer	+ or -	Yield
GT Asia Sterling(z)		£9.13	-0.07	1.75
GT Berry Japan Fd (z)		£32.26	-0.04	0.44
GT Berry Jap Stg(z)		£19.80	-0.10	0.58
GT Dollar Fd. (z)		$16.26	+0.06	2.31

Gartmore Investment Ltd
Gartmore House, PO Box 65, 16-18 Monument Street, London EC3R 8AJ 01-623 1212
Investor Services: Freephone 0800-289 336
Gartmore Fund Managers International Ltd
45 La Motte Street, St. Helier, Jersey 0534 27301

Fund	Bid	Offer	+ or -	Yield
Capital Strategy Fund Ltd (z)				
Sterling Deposit Fd		£1.0054		11.57
US$ Deposit Fd		$1.055		7.89
DM Deposit Fd		DM5.130		3.85
Yen Deposit Fd		Y313.5	+0.2	3.82
Swiss Fr Dep		SF25.101	+0.001	3.77
Aust Dlr Deposit Fd		A$1.097		13.36
French Franc Dep Fd		FFr10.46		6.94
Nth American Fd		$1.36	-0.01	—
Japan Fund		Y595		—
Pacific Basin Fd		Y273		—
Int Growth Fund		$2.67	-0.01	0.2
British Fund		£1.78		2.00
Sterling Gilt Fd		£1.05		8.97
Int Bond Fund		$1.34	-0.07	7.06
Yen Conv Bond Fd		Y2645		1.48
European Fund		DM4.45	-0.02	—
ECU Fund		Ecu1.04	+0.01	6.18
Australian Fd		A$0.29	-0.02	1.00
Canadian Fd		C$0.84		1.00
Emerging Mkts Fd		$0.86	+0.01	0.5
Global Resource		$0.71		0.7

Global Asset Management Corps.
PO Box 119, St Peter Port, Guernsey 0481-28715

Fund	Bid	Offer	+ or -	Yield
GAMerica		$193.13	—	—
GAM Pacific		$388.61	—	—
GAM Worldwide		$378.11	—	—

John Govett Mngment International Ltd
PO Box 208, St Peter Port, Guernsey CI 0481 26268

Fund	Bid	Offer	+ or -	Yield
Govett (st*) Mngd	£0.744	0.804		—
Govett High Inc Gilt	£0.391	0.415	+0.004	12.53
Govett Far East Inc	$0.873	0.933	-0.002	—
Energy & Resources	£0.625	0.668		—

Grofund Invest Managers (Guernsey) Ltd
PO Box 86, Guernsey, C 0481 26623

Fund	Bid	Offer	+ or -	Yield
Grofund International	£2.564	2.752		0.55
Do. £ equiv	£1.388	1.490		

Group One Limited
66 Front Street, Hamilton HM12 Bermuda
Merrill Lynch Intl & Co c/o MLE
25 Ropemaker Street, London, EC2 01-493 7842

Fund	Bid	Offer	+ or -	Yield
US S&P 500 Index Ser 1	$349.20	261.00	-0.43	3.31
US GNMA Class Ser I	$—		—	—
US GNMA Class Ser K	$—		—	—

Shearson Lehman Hutton Securities
1 Broadgate, London, EC2 01-260 2667

Fund	Bid	Offer	+ or -	Yield
Utility Value Trust	$1050.47		+1.11	7.53
Utility Value Trust 3	$970.49		+1.27	7.61

Prudential-Bache Securities (UK) Inc
5 Burlington Gdns, London, W1 XLL 01-439 4191

Guinness Flight Fd Mngrs (Guernsey) Ltd
PO Box 188, St Peter Port, Guernsey 0481 23506

Fund	Bid	Offer	+ or -	Yield
Guinness Flight International Fund (Daily)				
US Dollar Money		$28.990		8.219
Sterling Money		£16.454		11.278
Yen Money		Y6221.818	+0.60	3.773
Deutschemark Money		DM60.161	+0.01	4.074
Swiss Franc Money		SFr45.546		3.601
Mngd Currency Acc	$53.37	52.73	-0.08	—
Mngd Currency Dist	$39.76	38.39	-0.05	7.03
Intl Prime Bond	$25.25	24.33	+0.03	—
Intl High Yld Bond	$21.98	22.38	-0.06	—
Gilt Plus	£10.28	10.77	+0.01	—
Intl School Gwth	$21.10	22.16	-0.02	—
Intl Curr & Equity	$21.61	22.67		—
The 1992 Fund	£10.15	10.74	+0.01	—
Global Strategy Fund (Daily)				
US$ Money Fund	$20.67	21.54		7.910
Sterling Money Fund	£10.46	10.90		10.522
Yen Money Fund	Y5068.84	5279.21	+0.45	3.209
DM Money Fund	DM50.85	52.97	+0.01	3.919
Managed Currency Fund	$36.69	38.33	-0.06	7.07
Global Bond Fund	$30.01	31.36	+0.02	6.26
Global High Inc Bd Fd	$22.34	23.38	-0.03	10.94
US$ Bond Fund	$21.81	22.81		6.83
Gilt & Stlg Bond	£10.64	11.15		9.54
Stlg Ind Lkd Gilt Fd	£11.27	11.80	-0.01	2.36
Yen Bond Fund	$38.29	39.90	-0.03	5.06
European Bond Fund	$27.47	28.74	-0.08	6.94
Global Convbl Fund	$18.85	19.74	-0.09	3.2
Global Equity Fund	$51.64	54.69	+0.02	1.7
North American Fund	$21.82	23.22	-0.05	0.9
UK Fund	£16.75	17.79	+0.02	3.3
Japan & Pacific Fd	$67.79	72.01	-0.07	0.4
European Fund	$73.97	78.51	-0.21	1.4
Global Energy Fund	$24.80	26.39	+0.08	1.2
Global Leisure Fund	$57.29	60.71	-0.41	2.2
Global Technology Fund	$20.35	21.52	-0.06	1.5

All offer prices quoted inclusive of 4% initial charge except GFIF Money Funds. Conv £25 each and bid to offer less 4%.

Hambros Fd Mgrs (CI) Ltd
PO Box 86, Guernsey 0481 26521

Fund	Bid	Offer	+ or -	Yield
EMMA Managed	£5.07	5.26		9.65
EMMA £ Bond	£4.84	5.04		10.84
EMMA $ Bond	$24.57	25.69	+0.01	9.10
EMMA AS Bond	A$24.74	25.83	-0.09	12.83
EMMA NZS Bond	NZ$25.45	26.61	+0.05	13.76
EMMA CS Bond	C$24.63	25.77		9.32
EMMA Yen Bond	Y2432	2518	+1	3.52
EMMA Cont Eur Bond	DM47.90	50.08	-0.04	6.09
EMMA £ Money	£10.47	10.84	+0.01	12.69
EMMA $ Money	$15.67	16.23	+0.01	8.15
EMMA AS Money	A$25.47	26.37	+0.03	14.00
EMMA NZS Money	NZ$25.55	26.45	+0.03	12.78
EMMA CS Money	C$25.14	26.03	+0.02	9.51
EMMA Yen Money	Y3044	3152	+1	3.40
EMMA Cont Eur Money	DM49.07	50.79	+0.01	4.26
Currency Sterling	£27.13	27.19		11.56
Currency US $	$19.95	19.96		8.21
Currency DM	DM46.36	46.37		4.30
Currency Swiss Francs	SFr32.25	32.26		3.72
Currency Yen	Y3569	3570		3.59
Currency £ Managed	£15.07	15.68		12.82
Currency $ Managed	$22.99	23.92		8.20

Hill Samuel Fund Mngrs (Jersey) Ltd
Jersey, PO Box 63 Telex 4192274 Tel 0534 76029

Fund	Bid	Offer	+ or -	Yield
Fixed Int (£ Bond)	£1.196	1.266		9.34
Intnl. Bond Fund				
Sterling Managed	£10.55	11.24	+0.02	6.32
US Dollar Managed	$13.34	14.23	-0.01	8.64
Intnl. Currency Fund				
Sterling Managed	£20.57	21.66	+0.01	—
US Dollar Managed	$25.36	26.71		—
Sterling	£18.27			—
US Dollar	$32.05		+0.01	—
Deutschemark	DM51.39		+0.01	—
Japanese Yen	Y4315		+0.01	—
Swiss Franc	SFr40.21		+0.01	—

Ivory & Sime (Guernsey) Ltd
PO Box 208, St Peter Pt, Guernsey 0481 22423

Fund	Bid	Offer	+ or -	Yield
Atlas Fund				
Global Gap Portfolio	$2.101	2.229	-0.012	—
United States Portfolio	$1.959	2.079	-0.028	—
United Kingdom Portfolio	£0.907	0.962	+0.001	—
Cont Europe Portfolio	DM3.434	3.640	+0.003	—
Japan Portfolio	$0.974	1.034	-0.014	—
Pacific Portfolio	$2.114	2.242	-0.036	—
Gold Portfolio	$1.833	1.944	-0.027	—
UK Growth of Income	£0.973	1.031	+0.001	—
Sterling Gilt Portfolio	£1.019	1.081		—
Dollar Bond Portfolio	$2.000	2.100		—
Global Bond Portfolio	$2.018	2.140	-0.005	—
Dollar Portfolio	$2.136	2.137	+0.002	—
Yen Portfolio	Y1.029	1.030	+0.001	—
Deutschmark Portfolio	DM1.089	1.089		—
Sterling Portfolio	£1.070	1.072	+0.001	—

Ivory & Sime Pembroke Inc
One Charlotte Square, Edinburgh 031 225 1357

Fund	Bid	Offer	+ or -	Yield
ISSC Capital Ltd		£52.66	—	

Jardine Fleming Inv Mngt Ltd
GPO Box 11448, Hong Kong

Fund	Bid	Offer	+ or -	Yield
JF Pacific Warrant Co†		$81.92	—	—
Fledgling Japan Inv †		£1.0877	—	—

† Fully diluted NAV (28/11)
London Contact: Fleming Inv Tst Mngt Ltd 01-638 5858

Kleinwort Benson (Guernsey) Fd Mngrs Ltd
PO Box 44, Guernsey CI 0481 27111

Fund	Bid	Offer	+ or -	Yield
KB Gilt*	£13.33	13.39		9.83
KB Inc.In.Bd.Fd Inc*	£5.59	5.62		7.70
KB Sterling Ass**	£24.365	24.36	+0.045	—
Pipeline U.S. Growth		$12.58		—

* Offer prices quoted are exclusive of preliminary charge

Lloyds Bank (CI) U/T Mngrs.
PO Box 195, St Helier, Jersey 0534 27561

Fund	Bid	Offer	+ or -	Yield
Lloyds Tst. Gilt	10.10	10.11		10.81

Dealing weekly on Wednesday

MIM Britannia International Limited
PO Box 271, MIM Britannia Hse, Grenville St. St Helier, Jersey CI 0534 73114

Fund	Bid	Offer	+ or -	Yield
Jersey Gilt	£0.182	0.193xd		12.95
£ Mng Currency	£16.12	16.93	+0.04	5.21
Intl High Income	$2.448	2.634	-0.004	6.94
American Gwth	£1.219	1.311	+0.003	—
Australian Perform	£0.809	0.870	-0.010	—
Capital Deposit	£24.68	24.69		—
Pioneer Markets	£2.001	2.152	+0.014	—

Minerals, Oils Res. Shrs. Fd. Inc.
PO Box 525, St. Helier, Jersey 0534 76077

Fund	Bid	Offer	+ or -	Yield
Mngs December 8	$12.81	13.08	—	2.52

NM Schroder Financial Mgmt Intl Ltd
Box 273 St Peter Port, Guernsey 0481 28750

Fund	Bid	Offer	+ or -	Yield
Mngd Currency	£6.069	6.378xd	+0.000	5.75
NM Portfolio Selection Fund Ltd				
Conscience	£0.870	0.925xd	+0.002	0.00
Far East Gwth	$0.896	0.953xd	-0.007	0.00
Smaller Co's	£0.906	0.963xd	+0.002	2.69
Special Sits	£0.921	0.979xd	-0.019	0.00
Intl Bond	$0.950	1.010xd	-0.005	5.60
American Fund	$1.550	1.648xd	-0.000	1.84
American Smaller Cos	$1.057	1.124xd	-0.008	0.00
Australian Fund	£1.342	1.427xd	-0.005	0.12
British Fund	£1.196	1.272xd	+0.034	3.64
European Fund	£1.562	1.661xd	+0.002	0.48
Gold Fund	£0.596	0.634xd	-0.003	0.94
Hong Kong Fund	£1.337	1.432xd	+0.005	2.38
International Fund	£1.145	1.218xd	+0.003	0.48
Japanese Fund	£2.406	2.559xd	+0.002	0.00
Japan Smaller Cos	£2.676	2.825xd	+0.005	0.00
Singapore & Malaysian	£0.738	0.785xd	+0.004	0.00
Dollar Fixed Interest	$0.969	1.030xd	-0.001	7.26
Sterling Fixed Int	£0.929	0.988xd	-0.001	8.70
Deutschmark Currency	DM-	4.994xd	+0.000	3.22
Dollar Currency	$-	0.965xd	+0.000	7.80
Sterling Currency	£-	0.996xd	+0.000	9.66
Yen Currency	Y-	198.4xd	+0.000	3.13
Managed Currency	£0.934	0.993xd	-0.001	4.20

PFC Internatl Portfolio Fd Mngt Ltd
PO Box 30927, Hong Kong 5-8908448

Fund	Bid	Offer	+ or -	Yield
Specialist Growth Fd	$2.070	2.180		—
Balanced Growth Fd	$1.980	2.080		—
Sterling Income Fd	£1.340	1.410		—
Strategic Reserve Fd	$1.060	1.120		—

Prudential Intl Financial Services Ltd
P O Box 61, St Peter Port, Guernsey 0481 26268

Fund	Bid	Offer	+ or -	Yield
Holborn Currency Fund				
Managed Sterling	120.0	129.5	+0.4	4.32
Managed Dollar	$13.54	13.58	-0.01	3.20
Sterling Deposit	101.5	101.8		7.29
Dollar Deposit	$10.00	10.00		—
DM Deposit	DM50.22	50.41		2.02
SWFr Deposit	SFr50.00	50.00		—
J. Yen Deposit	Y5011	5030		2.50
Vanbrugh Currency Fund				
Income (A & B)	172.4	172.6	+0.3	4.52
Growth (C & D)	181.8	182.0	+0.3	0.00

Vanbrugh Currency Fund: PO Box 103, St. Helier, Jersey 0534 37788

Quilter International Management Ltd
PO Box 208 St Peter Port, Guernsey 0481 26268

Fund	Bid	Offer	+ or -	Yield
Quadnt. Intcl. Bond	$1.03	1.08		—
Quadnt. Intcl. Euro	$2.43	2.56		—
Quadnt. Intcl. F. East	$3.62	3.80		—
Quadnt. Intcl. N Amer	$1.49	1.57		—

Rothschild Asset Management
St Julian's Ct, Guernsey 0481 713713

Fund	Bid	Offer	+ or -	Yield
OCIRL £		£23.621	+0.007	11.26
OCIRL A$		A$26.706	+0.009	13.09
OCIRL C$		C$56.779	+0.014	9.23
OCIRL DFl		DFl64.136	+0.007	4.32
OCIRL DKr		DKr223.741	+0.039	6.47
OCIRL DM		DM62.212	+0.007	3.95
OCIRL ECU		Ecu18.369	+0.004	6.74
OCIRL BFr		BFr1247.48	+0.20	5.91
OCIRL FFr		FFr257.24	+0.05	7.20
OCIRL HK$		HK$126.237	+0.021	6.02
OCIRL Lire		L67700	+20	10.58
OCIRL NZ$		NZ$2.379	+0.009	13.28
OCIRL S$		S$80.288	+0.006	3.84
OCIRL Pta		Pta2023.516	+0.521	9.35
OCIRL SF		SFr53.4278	+0.0055	3.73
OCIRL SKr		SKr101.138	+0.026	9.23
OCIRL U.S.$		$43.208	+0.010	8.01
OCIRL Yen		Y7949.78	+0.77	3.48
OCIRL Man £	13.9585	14.3068	+0.0426	6.67
OCIRL Man DM	46.9257	47.6022	-0.0087	5.47
OCIRL Man $	21.2462	21.8064	+0.0006	6.68
OCIRL Man A$	24.3486	25.0094	+0.1872	9.70
OCIRL Man NZ$	24.4248	25.1802	+0.0368	11.37
OCCFL £		£10.137	+0.003	11.05
OCCFL A$		A$15.240	+0.005	12.84
OCCFL C$		C$20.229	+0.006	9.13
OCCFL DFl		DFl50.265	+0.006	4.09
OCCFL DKr		DKr151.173	+0.025	5.86
OCCFL DM		DM40.185	+0.006	3.74
OCCFL ECU		Ecu15.122	+0.003	6.68
OCCFL BFr		BFr805.51	+0.13	5.56
OCCFL FFr		FFr100.83	+0.02	6.64
OCCFL HK$		HK$100.718	+0.019	6.47
OCCFL Lire		L25305	+7	9.94
OCCFL NZ$		NZ$25.349	+0.008	11.66
OCCFL S$		S$30.122	+0.005	3.72
OCCFL Pta		Pta2023.922	+0.527	9.39
OCCFL SKr		SKr100.139	+0.026	9.22
OCCFL SwFr		SFr30.1078	+0.0032	3.67
OCCFL U.S.$		$15.147	+0.004	8.17
OCCFL Yen		Y3814.10	+0.32	3.22
OCCFL Man £	[illegible]	[illegible]	+0.02578	9.38

Daily Dealings

Royal Bank of Canada Funds
RBC Offshore Fund Managers Ltd
PO Box 246, St Peter Port, Guernsey 0481 23021

Fund	Bid	Offer	+ or -	Yield
Intl Bond Fd	$11.63	12.27		—
Intl Capital Fd	$44.12	47.68		—
North America Fd	$12.03	12.96		—
Far East & Pacific Fd	$30.87	33.20		—
Canadian Fd	C$11.94	12.84		—
RBC Intl Currency Fd Ltd				
US$		$30.72	+0.01	—
Canadian $		C$40.06	+0.01	—
£ Sterling		£17.12	+0.01	—
D-Mark		DM61.53	+0.01	—
Swiss Francs		SFr46.56		—
Japanese Yen		Y7669	+1	—
Managed Fund		$37.92	+0.01	—

Latest RBC Fund Prices 24hr service 0481 710598

Royal Trust Fd Mngt Ltd
PO Box 428, St Helier, Jersey 0534 76077

Fund	Bid	Offer	+ or -	Yield
Dollar Inc Fd	$0.996	1.046	-0.1	9.36
Govt Secs Fd	63.5	66.7	-0.2	11.12
Yen Bond Fd†	Y198	208xd		4.81
Sterling Bond Fd	244.2	244.4	+0.7	—
Japan Gwth Fd	92.2	95.3		—

†Prices on Dec 7 Next dealing on Dec 14 *Prices on Nov 7 Next Dec 14

Save & Prosper International
PO Box 73, St Helier, Jersey 0534 73933

Fund	Bid	Offer	+ or -	Yield
Gold	$12.99	14.00		—
Sterling Deposit	268.3	268.4		0.09

Schroder Mngt Services (Jersey) Ltd
PO Box 195, Don St, St Helier, Jersey 0534 27561

Fund	Bid	Offer	+ or -	Yield
Schroder Money Funds Ltd				
Sterling		£23.0572	—	10.42
US$		$38.5148	—	7.94
D-Mark		DM62.4598	—	3.60
Swiss franc		SFr74.2683	—	3.21
Yen		Y4211.65	—	2.97

The Siam Fund (Cayman) Ltd

Fund	Bid	Offer	+ or -	Yield
Siam Fund		$12.17	—	—

TSB Trust Funds (CI)
PO Box 538, 31 The Parade, St.Helier, (CI) 0534 73494

Fund	Bid	Offer	+ or -	Yield
TSB Gilt Fund Ltd				
Quarterly Share	98.0	102.0		11.76
Monthly Share	96.0	100.0xd	+1.0	12.00
TSB Offshore Investment Fund Ltd				
Blue Chip & Gilt Edged	44.9	47.9	+0.2	6.84
Mngd Currency Share	101.6	106.8		7.03

Target International (Europe) Ltd
174-177 High Holborn, WC1 7AA 01-836 8048

Fund	Bid	Offer	+ or -	Yield
International Bond Fund	125.25	132.50	+0.50	—

The Thai-Euro Fund Ltd
Sarnia Hs, Le Truchot, St Peter Port, Gnsy 0481 24983
Lloyds Bank Fund Mngrs (Guernsey) Ltd

Fund	Bid	Offer	+ or -	Yield
NAV December 2		9.24	—	—

The Thailand Intl Fund Ltd
Fidelity International Ltd
PO Box 670 Hamilton, Bermuda 809 295 0665
NAV

Thornton Investment Management Ltd
33 Cavendish Square, London W1M 7HF 01-493 7262

Fund	Bid	Offer	+ or -	Yield
Japan Fund	$26.33	27.646	-0.21	—
Oriental Inc Fund	$19.11	20.0025	-0.19	—
Pacific Inv Fd SA	$8.31	8.73	-0.01	—
Pacific Inv Fd Wrrnts	$3.31	3.73		—

Touche Remnant (Guernsey) Limited
PO Box 208, St. Peter Port, Guernsey 0481 26268

Fund	Bid	Offer	+ or -	Yield
TR Portfolio Selection Fund Limited				
Pacific Basin Managed Fd	£0.896	0.949	+0.024	—
Japan Fund	£1.00	1.06		—
Smaller Pacific Mkts Fd	£1.00	1.06		—
Sterling Deposit Fd	£6.419	6.631	+0.002	—

Tyndall International (Jersey) Ltd
17, Britannia Place, Bath St, St. Helier 0534 37331

Fund	Bid	Offer	+ or -	Yield
International	286.0	304.5	+1.5	—

Union-Investment-Gesellschaft GmbH
Postfach 16767, D-6000 Frankfurt 16

Fund	Bid	Offer	+ or -	Yield
Unifonds	DM25.59	26.71	-0.10	—
Unirak	DM68.84	72.30	-0.30	—
Unirenta	DM36.16	37.30		—

Warburg Investment Management Jersey Ltd
39-41 Broad St, St Helier, Jersey, CI 0534 58482

Fund	Bid	Offer	+ or -	Yield
CMT Ltd	£1.23	1.31		0.81
Merc Comm Mkt Dec 7	$52.20	53.51		1.40
Merc T'atlantic Dec 7	£28.30	29.02		2.69
Mercury Money Market Trust Ltd				
£ Managed	£12.02	12.66	+0.01	—
US$ Managed	$33.88	35.59		—
£ Sterling		£28.95	+0.02	—
US$		$43.36	+0.01	—
D Mark		DM90.68	+0.01	—
Yen		Y9373	+1	—
Dutch Guilder		Dfl125.38	+0.01	—
SwFr		SFr65.22	+0.01	—
Mercury Offshore Stlg Tst-SICAV				
Global Fund	£0.942	1.008		0.03
Overseas Fund	£1.026	1.097	+0.002	—
European Fund	£0.897	0.959		—
Japan Fund	£1.149	1.231	+0.006	0.13
N American Fund	£0.877	0.931		—
Pacific Fund	£0.916	0.980		—
Utd Kingdom Fund	£1.129	1.200	+0.002	1.27
Cash Fund	£0.972	1.024xd		11.68
Mercury Selected Tst-SICAV				
Australian Fd	$9.65	10.34	-0.15	—
European Fund	$19.74	21.11	-0.07	—
European Opps Fd	$10.75	11.51	-0.04	—
Global Bond Fd	$10.94	11.53		2.60
Global Fd	$37.89	40.51	-0.13	—
Global Man Cur Fd	$10.56	11.12	-0.02	2.24
Hong Kong Fd	$7.25	7.82	-0.04	—
Japan Fund	$22.00	25.57	-0.10	—
Japan Opps Fd	$13.47	14.42	-0.12	—
North Amer Fd	$11.78	12.48	+0.03	—
Nth American Opps	$8.24	8.73	+0.10	—
Pacific Fd	$8.63	9.32	-0.08	—
Singapore & Mlysia Fd	$6.54	7.07	-0.02	3.53
United Kingdom	$20.57	21.86	-0.09	—
Yen Global Bond Fd	$12.80	13.48	-0.04	4.36
Yen Global Eq Fd	$9.39	10.06	-0.06	4.94
Yen Intl Eq Fd	$8.29	8.85	-0.03	—

IoM AUTHORISED

Allied Dunbar International Fund Mgrs.
Allied Dunbar House, Douglas, IoM 0624 29411

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
ADI Managed (z)	5	£0.5146	0.5146	0.5480		
ADI Mgd Currency (z)	5	£0.3487	0.3487	0.3710		
ADI W'wide Eqty (z)	5	£0.5548	0.5548	0.5908		
ADI Nth Amer Gth (z)	5	£0.4323	0.4323	0.4603		
ADI Far East (z)	5	£0.9415	0.9415	1.0259		
ADI Stlg Fxd Int (z)	5	£0.2584	0.2584	0.2733		
ADI UK Cap Gth (z)	5	£0.1764	0.1764	0.1878		
ADI Europe Fd (z)	5	£0.8355	0.8355	0.8869		

For conversion Prices of Shares Phone: 0624 25860

Asset Global Funds Ltd

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
Growth Equity	5	£10.121	112.1	119.0		
UK Gilt	5	£10.49	10.49	11.04		
UK Equity	5	£12.14	12.34	13.00		
US Bond	5	£10.71	10.71	11.38		

Barclays Intl Funds

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
Balanced Fund						
Global Income (Acc)	5¼	£0.4260	0.4421	0.4704		4.4
Global Income (Acc)	5¼	£0.8037	0.8151	0.8672		4.4
Global Income (Inc)	5¼	£0.4085	0.4244	0.4515		4.4
Global Income (Inc)	5¼	£0.7715	0.7824	0.8324		4.4
Equity Funds						
Australian Eq (Acc)	5¼	£1.040	1.045	1.113		1.5
Australian Eq (Acc)	5¼	£1.917	1.927	2.052		1.5
Australian Eq (Inc)	5¼	£0.9600	0.9655	1.028		1.5
Australian Eq (Inc)	5¼	£1.769	1.780	1.895		1.5
Austin Mnl (Acc)	5¼	£0.6359	0.6438	0.6849		2.0
Austin Mnl (Acc)	5¼	£1.172	1.187	1.263		2.0
Austin Mnl (Inc)	5¼	£0.5640	0.5709	0.6074		2.0
Austin Mnl (Inc)	5¼	£1.039	1.053	1.120		2.0
Intl Equity (Acc)	5¼	£1.257	1.257	1.338		0.8
Intl Equity (Acc)	5¼	£2.317	2.317	2.466		0.8
Intl Equity (Inc)	5¼	£1.218	1.218	1.296		0.8
Intl Equity (Inc)	5¼	£2.245	2.245	2.389		0.8
UK Equity (Acc)	5¼	£0.9334	0.9414	1.002		1.8
UK Equity (Acc)	5¼	£1.720	1.735	1.846		1.8
UK Equity (Inc)	5¼	£0.8846	0.8895	0.9463		1.8
UK Equity (Inc)	5¼	£1.625	1.640	1.745		1.8
Pacific Eq (Acc)	5¼	£3.725	3.725	3.963		0.0
Pacific Eq (Acc)	5¼	£6.866	6.866	7.306		0.0

Equity & Law International Fund Mgs Ltd
Victory Hse, Prospect Hill, Douglas, IoM 0624 77077

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
European Equity	5¼	119.41	119.41	127.03		
Far Eastern Equity	5¼	2.5604	2.5604	2.7131		
North Amer Equity	5¼	1.0311	1.0311	1.0969		
UK Equity	5¼	118.27	118.27	125.81		
Global Equity	5¼	86.58	86.58	92.10		
UK Gilt & Fxd Int	5¼	101.16	101.16	106.56		
Deutschmark Deposit			4.9614			
Dollar Deposit			1.0213			
Sterling Deposit			103.52	103.52		
Yen Deposit			494.83	494.83		
Managed Currency	5¼	108.42	108.42	114.11		

Gartmore Fund Managers (IoM)

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
Intl Grth Dec 8	5	412.7	412.7	439.0		

Hellerup Scandinavian Fund Ltd

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
Scandinavia Fd	5	140.94	140.94	148.38	-0.5	2.0

Mercury Fund Managers Isle of Man Ltd

Fund	Chge	Canc	Bid	Offer	+ or -	Yield
Merc IoM Fund	5	106.5	108.0	114.9	+0.3	5.9
Merc Intl Bond	5	48.22	48.22	50.81	+0.11	10.1

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"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

BRITISH FUNDS—Contd

Undated

Index-Linked

Prospective real redemption rate on projected inflation of (1) 10% and (2) 5%. (b) Figures in parentheses show RPI base month for indexing, (ie 8 months prior to issue) and have been adjusted to reflect rebasing of RPI to 100 in January 1987. Conversion factor 3.945. RPI for March 1988:104.1 and for October 1988:109.5

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AMERICANS

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Money Market Bank Accounts

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AMERICANS—Contd

1988 High	Low	Stock	Price £	+ or −	Div Gross	Cvr	Yld %	P/E
19	14¼	USX $1	15⅞	+⅛	$1.40	–	4.9	–
140½	44⅞	Unifab	127½			–	4.9	–
24½	17¾	Utd' Technologies	22	+⅛	$1.60	–	4.0	–
165⅝	27⅞	Utilitech Inc	133⅝			–	–	–
34⅝	26¾	US West	32¾	+¼	$3.52	–	6.0	–
24⅞	16⅞	Waste Management $1	22¼	+⅛	48c	–	1.2	–
16⅞	12⅞	Wharfedale	13½		$1.10	–	4.5	–
21⅞	16⅞	Whitman Corp	17½		96c	–	3.0	–
33½	18¼	Woolworth $3⅓	27⅞	+⅛	$1.64	–	3.3	–

CANADIANS

1988 High	Low	Stock	Price	+ or −	Div Gross	Cvr	Yld %	P/E
309⅝	141⅞	ABM Gold Corp	142⅞	-11	–	–	–	–
32⅞	7⅞	Abbot Energy Corp	7⅞		–	–	–	–
144¼	88⅞	Amer. Barrick Res.	88⅞	-⅞	–	–	–	–
10⅞	2¾	Amer. Lightwave	5⅞		–	–	–	–
47⅞	7¼	Arnasco	13¼	-¼	–	–	–	–
76⅞	36⅞	Augmitto Expln	46⅞	-2	–	–	–	–
14⅞	10⅞	Bk. Montreal	12½	+⅛	$2.00	–	7.3	–
76⅞	51⅞	Bk. Nova Scot.	66⅞	+3	76c	–	5.2	–
18⅞	15¼	BCE	17¼	+¼	$2.48	–	6.4	–
71⅞	52⅞	Bow Valley	59⅞	+3	40c	–	3.1	–
13⅞	10½	Brascan	11⅞	+⅛	88c	–	3.4	–
32⅞	17⅞	Brookwater Res.	19½		10c	–	2.4	–
12⅞	8⅞	Can. Imo Bank	11½	+⅛	$1.16	–	4.6	–
11½	8¼	Can. Pacific	9⅞	+1	76c	–	3.7	–
41½	38½	Do. 4pc Deb £100	38½		4⅞	–	10.4	–
51⅞	35⅞	Central Capital "A"	41⅞	+1	–	–	–	–
42⅞	33⅞	Corona Corp	34⅞	+7	–	–	–	–
88⅞	25⅞	Cons TVX Mln	25⅞	+1	–	–	–	–
37½	41⅞	Dantas Mem. Syst	48⅞	+3	–	–	–	–
68⅞	43⅞	Derlan Inds.	53⅞	-5	11.75c	–	1.0	–
14½	7⅞	Echo Bay Mines	7⅞	+⅛	$0.07	–	0.4	–
83⅞	49⅞	ECO Corp	49⅞			–	–	–
40⅞	11½	Energex Minerals	14⅞	-2	–	–	–	–
12⅞	8⅞	Euro-Asia Capital	8⅞		–	–	–	–
38⅞	22⅞	Galactic Resources	22½	-17	–	–	–	–
42⅞	27⅞	Gandalf Techs. Inc	27⅞	-2⅞	–	–	–	–
125⅞	52⅞	Geodome Res	52⅞		–	–	–	–
39⅞	14⅞	Grampo Expln	14⅞	-⅛	–	–	–	–
17⅞	4½	Hyd. Pacific Res.	5½		–	–	–	–
90⅞	57⅞	Golf Canada	63⅞	-2	52c	–	3.7	–
12⅞	8⅞	Hawker Sid Can	9⅞	+2⅞	$1.08	–	5.4	–
59⅞	42⅞	Hendys Group	47⅞	-3½	–	–	–	–
10⅞	7⅞	Hudson's Bay	9⅞	+⅛	60c	–	2.8	–
28⅞	20¼	Imperial Oil	21¼	+⅛	$1.80	–	3.8	–
20⅞	10¼	Inco	17⅞		US$0.80	–	2.5	–
71⅞	46⅞	Inland Nat. Gas $1	55⅞	-2	60c	–	4.9	26
25⅞	12⅞	Int'l Aldetexe Mines	13⅞		–	–	–	–
20⅞	12⅞	Int'l Corona Expln	12⅞	+2	–	–	–	–
18⅞	9⅞	Int'l Business Syst	9⅞		–	–	–	–
24⅞	9⅞	Kerr Addison Gold Fields	9⅞	-1⅞	–	–	–	–
12	7⅞	Kiwi Mining	10		$1.30	–	5.9	–
17⅞	11½	Royal Bk. Can.	16⅞		$2.00	–	4.7	–
25⅞	26⅞	Seagram	32⅞	+⅛	US$1.20	–	2.0	–
36⅞	10⅞	Sonic Gold Corp	10⅞	+1	–	–	–	–
12⅞	18⅞	Spiral Eng	23⅞	-2	–	–	–	–
150⅞	35⅞	Tam Pure Tech. Corp.	68⅞	-11	–	–	–	–
18⅞	11½	Toronto-Dom. Bk	16		$1.12	–	3.2	–
68⅞	56⅞	Trans Can Pipe	63⅞	+4	62c	–	4.9	–
20⅞	12⅞	Varity Corp	15⅞	+3	8c	–	–	–

BANKS, HP & LEASING

1988 High	Low	Stock	Price	+ or −	Div Gross	Cvr	Yld %	P/E
*25⅞	12⅞	ANZ $A1	25⅞		¢0.34	–	6.9	●
*27⅞	18⅞	Allied Irish	25⅞		F0.72	3.1	6.4	8.2
£13⅞	£10½	Algemene Fl.10	£11½		027½	1.9	6.6	–
73	58	Anglo Irish	62		019.6¢	–	6.2	●
90	64	Ansbacher (I.) 1p	80	-1	2.0	3.3	–	–
£40½	£24⅞	Banco Bilbao Viz.	£39⅞	+⅛	067.2¢	3.1	4.1	7.7
£34	£27⅞	Banco de Santander	£38⅞	-½	022⅞	2.4	1.8	7.3
*27⅞	18⅞	Bank Ireland Ir£1	23⅞	-2	015.6⅞	3.3	5.6	7.3
£18½	£15	Bank Leumi	£17½		–	–	–	–
350	350	Bank Leumi (U.K.)	350		12.4	–	4.7	–
99⅞	83⅞	Bankers Ind. Serv.	91½	-½	11.3 15	4.1	6.2	–
*65	45	Bank of Wales	54⅞		¢2.8	2.6	7.0	7.6
*463	360	Barclays £1	404⅞	+2	119.93	3.5	6.6	5.8
38	26	Benchmark 20p	28		1.63	1.0	7.7	16.1
435	330	Brown Shipley £1	334⅞	-3	10.5	–	4.2	–
57	45	Business Mort Tst	57		–	–	–	–
394	318	Cater Allen £1	335		22.5	–	9.0	–
270	175	Chancery	204⅞	-2	16.0	2.9	3.9	11.8
£16¼	£13⅞	Commerzbk DM10	£14⅞	+⅛	018⅞	–	4.0	–
£27⅞	£18	Chgo. Hbk. Kr100	£27⅞	+½	015⅞	–	4.5	–
£176	£114	Deutsche Bk DM50	£168⅞	+4	024⅞	–	2.3	–
270	195	First Nat. Fin. 10p	217		18.75	2.9	5.4	7.0
145	100	FNFC 5p	117⅞		6.34	–	7.0	–
£16	£12½	Fuji Bank ¥50	£15⅞		¥14.3⅞	●	0.2	●
340	266	Gerrard & National	269	-2	18.0	–	8.9	–
136	110	Goode Durrant 5p	114	-2	3.3	–	3.9	–
133	90	Guinness Mahon 10p	126⅞		1.2	–	1.3	–
285	204	Hambros 20p	228⅞	+4	19.0	–	5.8	–
50	40	Hire & Stang. HK$2.50	43		HK$0.2	–	6.3	–
510	413	Joseph (Leo) £1	450⅞	-5	¢14.38	–	4.0	–
158	131	King & Shaxson 20p	131		9.25	–	9.4	–
407	290	Kleinwort Benson Gp.	290	-1	14.0	–	6.4	–
342	238	Lloyds £1	314	-7	¢13.2	4.6	5.6	5.0
57	41	Lon. Scot. Bank 10p	41		¢1.8	1.9	5.9	10.5
448	370	Midland £1	402½	-1½	¢20.1	3.0	6.7	5.4
£15⅞	£11⅞	Mitsubishi Bank ¥50	£11⅞	-⅛	015⅞	6.6	0.2	67.4
355	236	Morgan Grenfell £1	292	-5	10.85	–	5.0	–
*311	146	Nat. West. Pfd.	195	-1	K02.6c	2.1	2.0	12.1
605	514	Nat. West. £1	514	-4	¢24.0	5.0	6.2	4.3
£225	£130	Ottoman Bank	£195		080⅞	–	4.1	–
111	60	Rea Bros. Group	61	+1	¢1.75	–	3	–
*162	94	Rothschild (J) Hldgs.	153		18.0	2.7	7.0	6.8
380	297	Royal Bk. Scotland	338⅞		15.0	¢4.4	5.9	5.1
125	120	Scandinavian Bk Units	124		18.0	–	8.6	–
£10	850	Schroders £1	875		16.5	–	2.5	–
875	675	Do. Non-Vtg.	675		16.5	–	2.5	–
£23⅞	£13⅞	Sec. Pacific $10	£20⅞	-⅛	Q51.80	–	4.9	–
*538	361	Standard Chartd. £1	482	+7	M35.0	●	9.7	06.3
117½	96	TSB	106		¢W4.7	3.2	6.1	7.1
168	135	NTSB Cm'wl Ir£1	146⅞	-1	4.88	●	3.9	●
595	510	Union Discount £1	485	-5	¢28.7	–	7.9	–
365	273	Warburg (S.G.)	273		111.5	–	5.6	–
133	98	Do 6pc A Cns Prf.	99		6⅞	–	8.1	–
£40½	£23	Wells Fargo $5	£35⅞	+⅛	Q53.00	–	4.7	–
*286	125	Westpac $A1	254	-6	¢33⅞	●	6.6	●
459	440	Wintrust 20p	443		6.95	2.9	2.1	22.0

Hire Purchase, Leasing, etc.

214	155	Anglo Leasing 10p	214	+2	¢3.3	6.6	2.2	9.2
*243	150	CLF 50p	152⅞	-1	¢W12.6	8.5	1.2	8.6
135	100	Do. 6¼pc Cv Pf 50p	101⅞		6.25	–	8.3	–
71	54	Cattle's (Hldgs) 10p	57		¢2.5	2.1	5.8	10.7
£49½	£30⅞	Ce B'crre Fr.100	£45⅞	+⅛	Q10⅞	–	2.1	–
38	24	Equity & Gen 5p	30		¢1.75	1.7	7.8	9.1
369	309	Prov. Financial	310	+1	¢16.0	2.2	6.9	8.6
125	81	Perfex Ints. Ir5p	118		¢IR4.9⅞	3.1	4.2	–
199	117	Woodchester IR20p	134	+15	¢IR6.5⅞	5.7	1.1	23.7

BEERS, WINES & SPIRITS

494	322	Allied-Lyons	441⅞	-2	¢13.0	2.7	3.9	11.3
867	733	Bass	765⅞	+7	23.5	¢3.2	4.1	10.1
65½	42	Belhaven	50	+1	¢2.9	1.8	5.7	14.5
175	127	Boddington	167		¢3.97	2.8	3.2	15.1
207	130	Buckley's Brewery	153		¢3.2	1.6	2.8	27.2
195	147	Bulmer (H.P.) 5p	152	+2	6.5	2.5	3.7	9.5
194	120	Burtonwood Brewery	189	-1	¢3.16	2.6	2.2	23.3
405	332	Clark (Matthew)	402		11.0	3.3	3.6	10.9
371	292	Devenish (A.J.) 5p	297		3.55	●	1.9	●
280	205	Do 4 5pc Cv 2nd Pf	215		4½⅞	25.3	2.8	–
635	325	Eldridge, Pope "A"	405		9.0	●	2.0	●
415	291	Fuller, S.T.A.	390	-10	13.6	4.9	1.2	22.2
290	176	Greenall Whitley	247⅞	+6	7.25	●	3.9	●
149	109	Do. 5.5pc Pref.	136	+1	5.95⅞	–	4.1	–
494	434	Greene King	452		17.45	3.6	2.2	17.4
357	271	Guinness	328	+2	19.2	3.2	3.7	10.7
113	95	Do. 5¼pc Cnv Prf	99	+1	¢5.75⅞	25.0	7.7	–
£138	£113	Do 6¼pc Cn Ln	£119		¢8¼⅞	69.0	6.9	–
135	76	Highland Dists. 20p	133		2.82	2.7	2.8	17.6
410	168	Invergordon Dists	403		¢5.75	3.2	1.9	21.7
438	125	Irish Distillers	375		¢51.4⅞	1.7	2.9	34.2
*111	487	Macallan-Glenlivet	£101½	-½	¢4.42	3.9	0.6	52.1
£14½	£11½	Mackinlay Mcrlls 'A'	£13½	+⅛	120	2.7	2.0	29.7
164	110	Marston, Thompson	114		¢7.9	3.1	2.0	18.0
405	293	Merrydown Wine	343⅞	-2	¢15.33	4.5	2.0	15.2
683	464	Morland	646		9.05	●	1.9	●
408	206	Scott. & New 20p	387	-⅛	¢9.14	2.4	3.2	16.9
*731	470	Vaux Group	720	+3	16.53	2.7	3.0	●
317	268	Whitbread "A"	289	+3	¢10.55	2.9	4.2	9.0
449	351	Wolv. & Dudley	423	+2	7.0	●	2.2	●
530	345	Young Brew 'A' 50p	500	-5	19.2	1.8	2.5	30.8
460	318	Do. Non. V. 50p	422	-3	19.2	1.8	2.9	26.0

BUILDING, TIMBER, ROADS

400	315	AMEC 50p	322	-7	¢13.0	2.7	5.4	9.1
105	86½	Do. 6½p Cm Cv Pf	95		¢6.5⅞	–	10.4	–
273	145	Aiken	193	-2	24⅞	4.9	3.7	7.4
*459	326	Anglia Sec	358⅞	+5	4.0	●	1.5	●
54	34	Anglo Utd	38		1.0	2.1	3.5	17.7
208	90	Arnold Inv. 10p	150	+2	¢3.17	4.0	2.8	9.2
119	105	Arthur Shaw 10p	105		1.5	2.8	2.9	15.5
270	170	Ashtead Group 10p	252	+2	12.0	2.9	1.0	17.2
325	247	Attwoods 5p	285⅞	+2	7.0	2.3	3.3	14.8
129	116	BMSS 10p	118		¢3.75	2.2	4.2	10.9
310	213	BPB Inds. 50p	217⅞	-3	18.5	3.3	5.2	7.1
320	240	Baggeridge Brick	290	+2	¢13.25	5.8	1.5	15.4
108	53	Bailey (Ben) 10p	87	+1	2.2	2.5	3.3	7.1
183	158	Bilwin 10p	165	+2	2.0	1.3	1.8	57.4
123	73	Bamer Homes 10p	93	+1	¢2.6	3.0	3.7	9.9
253	154	Barratt Dev. 10p	241½	+3	¢11.16	2.1	9.2	6.9
272	181	Bellway	190		10.0	●	7.0	●
113	83	Bellwinch 10p	95		3.75	3.5	5.4	6.3
364	176	Berkeley Group	268		6.25	5.5	2.1	10.4
122	83	Bett Bros. 20p	90		0.78	3.3	3.4	11.2
420	305	Blackwood Hodge	305	+15	16.5	2.8	2.8	16.6
474	408	Blue Circle £1	417		¢15.0	2.8	4.8	8.4
147½	83½	Breedon	145		¢13.18	1.2	4.0	28.2
292	275	BB & EA	275		3.0	8.8	1.4	11.1
170	110	British Dredging	124	+1	¢5.0	1.7	5.3	14.2
157	95	Bryant Group	99		¢4.3	3.8	5.9	6.0
125	106	Bucknall Austin 1p	104	-2	1.3	2.1	4.2	11.5
164	112	CALA 5p	138		2.75	4.7	2.8	9.1
144	110	CRH	127	-1	¢24⅞	3.4	4.1	11.1
155	102	Calebrook Raley 'A'	133	+1	3.8	1.5	3.8	22.9
358	258	Caradon 5p	362½	+4	¢8.0	3.6	3.5	10.0
159	128	Carron Phoenix 10p	128		¢3.5	2.7	3.7	13.3
139	73	Church (Charles) 5p	75⅞	+1	4.0	●	7.1	●
178	133	Colroy 10p	137	+4	4.4	4.9	3.0	5.5
411	195	Conder Group	268		¢5.5	4.5	2.0	12.5
227	172	Copson (F.) 5p	172	-1	3.0	2.6	2.3	21.2
339	259	Costain Group	290	+1	¢9.65	2.6	4.4	10.4
317	185	Countryside Props.	201	+10	¢1.91	14.0	1.3	7.5
231	155	Crest Nicholl 10p	172	+10	¢5.7	3.5	4.4	8.7
109	78	Do. 5pc Cn. Cnv Rd. Pf.	79		5¼⅞	–	–	–
126	73	Crosby Cramed 10p	83		¢2.0	7.1	3.3	5.8
310	229	Douglas (Robt. W.)	268		¢4.25	5.5	2.1	10.4
46	26	Demon Group 5p	30		0.70	3.3	3.4	11.2
*1994	1164	Derwent Group	1430	-2	HK$.38	2.5	7.8	8.2
41	23	Esmond Hldgs 10p	33		10.8	5.2	3.2	7.9
170	106	Ewin Group 10p	184		4.8	2.3	6.0	8.7
111	78	Firth	83	-2	13.0	2.8	4.8	9.8
216	125	Eve Group	206	+13	6.0	2.9	3.9	11.7
215	101	Fairbriar 10p	148	-2	¢3.4	6.4	2.8	7.4
309	179	Fed. Housing 5p	214		¢5.0	5.5	3.2	7.5
100	73	Fryer Group 10p	78⅞	+4	14.5	1.3	7.7	10.9
240	213	Ferguson Group 10p	220	-1	¢6.75	3.4	4.1	9.7
74	59	Galliford 5p	64	+2	3.2	1.8	6.7	10.9
270	210	Gibbs & Dandy 10p	265		2.6	3.1	1.3	32.6
91	63	Do. "A" 10p	63		2.6	3.1	5.5	7.7
615	385	Gleeson (M.J.) 10p	525	+5	8.14	7.9	1.9	11.9
265	165	Harrison Inds. 10p	165	-5	6.85	3.1	5.9	7.8
170	100	Hatfield Cons.	155⅞		3.5	2.3	4.2	–
126	91	Hewden-Stuart 10p	107	+1	¢2.04	4.8	2.9	10.7
£400	£295	Do. 10pc '03/08	£378	+10	Q10⅞	–	2.7	–
133	84	Hewetson 10p	115		¢3.0	2.4	3.6	14.1
120	108	Do. 7pc Cm Cv Pf	114		7.0	–	8.2	–
103	63	Hey & Croft 25p	63		¢1.42	3.6	5.1	7.5
245	205	Heywood Williams	244	+1	¢9.5	3.2	5.1	8.2
137	109	Do. Cnv. Prf	109	-1	6.75	●	8.3	●
380	291	Higgs & Hill	295	+2	19.0	4.2	4.1	7.8
90	67	How Group 10p	72		¢1.2	3.5	4.1	9.5
69	37	Howard Hldgs. 10p	48		1.3	4.6	3.6	8.0
202	130	Hutson Johnson	138	+1	¢4.0	3.8	4.0	8.6

BUILDING, TIMBER, ROADS — Contd

1988 High	Low	Stock	Price	+ or −	Div Net	Cvr	Yld %	P/E
91	20	Ibstock Amco Con.	84					
118	95	Jackson Group 10p	98	+3	¢3.0	3.3	4.1	9.8
185	86½	Jarvis (J.) 5p	150		1.6	3.5	1.4	26.2
133	71	Jennings AS 50	92	-1	020⅞	2.1	5.3	9.0
154	98	Johnson Rs Pts.10p	152	+2	¢4.77	2.3	4.2	13.6
£135	£100	Lafarge Con. F100	£126½	+½	025⅞	5.3	1.8	10.2
356	270	Laing (John)	275		17.0	6.0	3.4	6.5
300	260	Latham (J.) £1	285	-5	¢9.5	3.4	4.5	8.8
179	106	Lawrence (W.)	110		¢4.75	3.3	5.8	6.9
187	111½	Do 8.5pc Cnv Pf £1	112	+½	8½⅞	–	10.1	–
58½	38½	Liley (F.J.C.) 12½p	49	-½	20.5	2.3	1.4	07.6
110	95	Lon. & Cheteside	103	+3	¢5.7	1.4	7.4	11.7
260	195	Lovell (Y.J.)	203	+1	6.65	●	3.4	●
509	291	McAlpine (Alfred)	296		¢16.1	3.1	7.3	6.0
497	333	McCarthy & Stone 20p	333		5.14	●	2.1	●
325	190	McLaughlin & H.	319		18.0	2.6	3.3	15.2
262	173	Magnet	177½	+2	16.9	2.7	5.3	9.2
75	68	Do. 5¾pc Pf 2012	70		5.63	–	–	–
224	147	Manders (Hldg.)	216		¢6.5	2.1	3.4	16.9
178½	128	Marley	146½	+½	15.0	2.9	4.6	9.2
263	224	Marshalls Halifax	226	+1	¢7.25	3.5	4.3	8.6
105	94	Do. 6½p Cn Cv Red Pf	98		6.5	–	8.8	–
133	79	Maunders (J.) 20p	95	+5	3.15	3.8	4.4	7.8
429	336	Meyer Int	334		9.5	5.3	3.8	6.7
245	56	Miller (Stan) 10p	149	-2	¢7.25	0.7	1.2	–
438	319	Mowlem (J.)	325	+6	¢17.25	2.2	7.1	8.6
108	67	NSM 10p	68	+1	F3.0	–	5.9	–
108	83	Needler Group	86		¢09.8	2.1	5.0	9.4
*187½	£105	Newarthill £1	£181½	+½	¢14.0	3.2	0.9	41.8
186	160	Newman-Tonks	161	+1	17.7	1.8	6.4	11.9
*184	109	Persimmon 10p	131	+3	¢14.5	5.9	4.6	6.6
128	75	Phoenix Timber	77½	+1	¢2.5	3.3	4.3	7.6
£10½	715	Pochin	£10½		19.0	5.6	2.5	9.6
162	124	Polypipe 10p	124		2.1	3.6	2.3	15.7
193	129	Prowting 20p	138	+4	W4.25	3.5	4.1	9.4
519	423	RMC	475	+3	¢11.6	4.4	3.1	9.4
111	73	Raine Inds. 10p	82	+2	3.0	2.5	4.9	9.0
180	130	RMC	142	+2	7.0	1.8	6.6	11.0
*450	385	Redland	389		¢15.85	2.6	5.4	8.2
£98½	£84½	Reed Int. Fgn. Gt '82	£97	-1	Q7½⅞	–	–	–
128	111	Rosehill 10p	112	-2	3.2	3.1	3.2	11.7
285	125	Ruberoid	277		¢16.0	3.0	2.9	19.7
£14½	715	Rugby Group	£26½	+½	¢04.25	3.0	4.5	9.5
*335	180	Rush & Tompkins	320	-2	12.55	1.9	5.2	10.0
31	23	SWP Group 5p	31				5.2	–
102	84	Sherkel-Rose 10p	86		¢2.75	2.3	4.9	12.2
312	173	Sharpe & Fisher	195		4.0	4.7	2.0	14.5
161	106	Shorco Grp	143	+1	13.65	2.1	3.4	14.5
265	176	Sindall (Wm) 5p	213		13.1	3.8	1.9	16.9
151	111	Smart (J.) 10p	138		¢5.8	1.8	5.9	12.3
*352	278	Steetley	317	-1	¢19.25	3.7	4.9	8.9
264	205	Tarmac 50p	224½		¢7.25	3.7	4.5	8.0
141	89	Tay Homes	93	-1	¢2.67	5.9	3.7	6.1
627	351	Taylor Woodrow	577	-1	¢10.5	3.1	2.4	16.5
403	233	Tilbury Group	345	+5	¢9.2	3.3	3.6	11.3
299	218	Travis Perkins 10p	235	-2	8.7	3.7	4.3	9
135	105	Tudor 20p	135		5.0	2.5	4.9	10.7
340	189	Turriff Corp	274	+5	¢8.33	3.0	4.0	9.2
*48	38	Tysons 10p	51					
165	111	Vitrophan 1.5p	151	-1	¢2.5	5.9	2.2	9.3
192	135	Ward Group 5p	176		¢4.3	3.6	3.3	11.3
181	92	Ward Hldgs. 10p	95	+2	2.4	7.1	3.6	9.6
335	261	Watts Blake	318		¢6.15	3.8	2.6	13.6
*260	202	Westbury 10p	289	+2	¢5.5	6.3	3.5	5.2
281	151	Wiggins Group	203½	+6	16.5	3.1	4.3	9.1
260	143	Wilson Bowden 10p	184	+1	¢4.2	6.2	3.0	7.1
205	140	Wilson (Connolly)	145	+2	¢12.0	8.5	1.8	8.5
286	221	Wimpey (Geo)	251½	+½	¢6.75	3.8	3.6	9.3

CHEMICALS, PLASTICS

£44½	£25	Akzo Fl.20	£41½	+½	¢033⅞	3.5	4.5	6.3
287	289	Alda Holdings	320		¢9.25	2.9	3.9	12.4
144	106	Allied Colloids 10p	112	+1	2.3	3.7	2.8	12.9
65	51	Amer Plastic Tech Ic	66		L02.5c	●	2.3	●
679	441	Amersham Intl	512	-4	¢10.0	2.9	2.6	16.5
*42	21½	Astra Holdings 5p	22½	+½	0.87	2.9	5.3	8.1
£92½	£73½	BASF AG DM50	£87½	-½	¢020⅞	1.7	3.4	15.8
159	118	BTP 10p	119⅞		16.2	1.7	6.7	10.4
£99½	£74½	Bayer AG DM 50	£92⅞		¢020⅞	2.3	3.4	12.7
*201	148	Bagden Inds.	154	+1	F8.2	1.6	7.0	11.8
165	118	Brent Chem 10p	124	+2	¢5.2	2.0	5.6	10.5
70	40	Cambridge Instrs 1p	40		L00.9c	6.2	1.2	13.0
243	169	Canning (W.)	281	-1	¢5.3	3.5	3.5	10.0
255	165	Chemory Intl. 10p	215⅞		¢5.75	2.5	2.6	15.1
347	285	Coalite Group	318⅞	-1	¢9.8	2.9	4.1	11.2

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LEISURE—Contd

MOTORS, AIRCRAFT TRADES

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

PROPERTY

TEXTILES—Contd

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

TRUSTS, FINANCE, LAND—Contd

Finance, Land, etc

OIL AND GAS—Contd

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

O.F.S.

Central African

Finance

Diamond and Platinum

Australians

MINES—Contd

Tins

Miscellaneous

THIRD MARKET

NOTES

Stock Exchange dealing classifications are indicated to the right of security names: ○ Alpha, β Beta, γ Gamma.
Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation excluding surplus ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, and adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

- "Tap Stock"
- ● Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ‡‡ Tax-free to non-residents on application
- ¶ Figures or report awaited
- ♦ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ♦ Dealt in under Rule 535(5)
- ♦ Price at time of suspension
- ♦ Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress
- ♦ Not comparable
- ♦ Same interim; reduced final and/or reduced earnings indicated
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ♦ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ♦ Cover does not allow for shares which may also rank for dividend at a future date. No P/E usually provided.
- ♦ No par value

L.F.r. Belgian Francs. Fr. French Francs ♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f P/E ratio based on Australian dividend and yield. g Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast, or estimated annualised dividend rate, cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1988-89. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1989. K Dividend and yield based on prospectus or other official estimates for 1987-88. L Estimated annualised dividend, cover and P/E based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1988. N Dividend and yield based on prospectus or other official estimates for 1987. P Figures based on prospectus or other official estimates for 1987-88. Q Forecast, annualised dividend, cover and p/e based on prospectus or other official estimates. T Figures assumed. W Pro forma figures. Z Dividend total to date. Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xt ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Albany Inv 20p	67		
Craig & Rose £1	71		
Fintay Pkg. 50p	71	-1	
Holt (Jas) 25p	£11½		

IRISH

Cas. 8½% Ln. 1991	£99½		
Spc Cap Ln. 1996	£103½		
Fin. 13% 97/02	£124½		

Amotes	375		
Carrol (P.J.)	145		
Grafton Grp	143		
Hall (R. & H.)	155		
Helton Hldgs	59	+2	
Irish Ropes	165		

TRADITIONAL OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	40		
Amstrad	18		
BAT	40		
BOC Grp	36		
BSR	25		
BTR	29		
Barclays	34		
Beecham	48		
Blue Circle	39		
Boots	29		
Bowaters	35		
Brit Aerospace	42		
Brit. Telecom	24		
Burton Ord	18		
Cadburys	31		
Charter Cons	45		
Comm Union	29		
Courtaulds	26		
FKI Babcock	13		
FNFC	21		
Gen Accident	71		
GEC	15		
Glaxo	90		
Grand Met	38		
GUS 'A'	90		
Guardian	16		
GKN	28		
Hanson	12		
Hawker Sidd	48		
ICI	85		
Jaguar	22		
Ladbroke	38		
Legal & Gen	26		
Lex Service	34		
Lloyds Bank	29		
Lucas Inds	48		
Marks & Spencer	15		
Midland Bk	35		
Morgan Grenfell	28		
NEI	12		
Nat West Bk	45		
P & O Dfd	48		
Plessey	15		
Poly Peck	28		
Racal Elect	25		
RMM	22		
Rank Org Ord	63		
Reed Intnl	38		
STC	24		
Sears	13		
TI	32		
TSB	9		
Tesco	12		
Thorn EMI	55		
Trust Houses	34		
T&N	16		
Unilever	42		
Vickers	15		
Wellcome	42		

Property			
Brit Land	30		
Land Securities	32		
MEPC	56		
Peachey	34		

Oils			
Brit Petroleum	21		
Do. (P.Paid)	12		
Burmah Oil	48		
Calor	38		
Charterhall	85		
Premier	22		
Shell	38		
Ultramar	21		

Mines			
Cons Gold	180		
Lonrho	39		
RTZ	49		

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CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Short-covering boosts dollar

THE DOLLAR finished towards the top of the day's range in currency markets yesterday, moving up close to key resistance at DM1.7500.

Investors continued to close out short dollar positions, ahead of the release today of US trade figures for October. There was also little incentive to run short on dollars, since many traders expect the two day meeting of the US Federal Open Market Committee, which started yesterday, to result in a tightening of Fed policy.

The argument gained further substance with the release of US retail sales for November. These showed a rise of 1.1 p.c., over double market expectations, and compared with a revised increase of 1.6 p.c. in October.

The dollar rose to DM1.7475 from DM1.7405 and Y123.10 from Y122.75. Elsewhere, it rose to SFr1.4705 from SFr1.4640 and FFr5.9700 compared with FFr5.9500. On Bank of England figures, the dollar's exchange rate index rose from 93.1 to 93.3.

Sterling continued to lose ground, as institutional investors took profits ahead of the year-end. There are also fears that a possible rise in West German and US interest rates could compromise sterling's attraction as a high yielding investment.

The pound's exchange rate index fell to 77.8 from 78.0 at the opening and 78.2 on Monday. Against the D-Mark, it fell below DM3.20 to finish at DM3.1950, regarded as a key support level. On Monday it finished at DM3.2075. It was also lower against the yen at Y225.00 from Y226.25. Elsewhere, it finished at SFr2.6875 from SFr2.6975 and FFr10.9125 compared with FFr10.9600. Against the dollar, it fell to $1.8280 from $1.8420.

The French franc continued to lose ground against the D-Mark, amid fears that West German interest rates may be increased. The D-Mark was fixed at FFr3.4187 in Paris, its second highest level ever, and up from FFr3.4180 at the fixing on Monday.

There were no obvious signs of intervention by the Bank of France, but dealers stressed that any further advance towards the FFr3.42 level is likely to bring the Bank of France, and possibly other EMS central banks, into the market to support the franc.

The yen moved in line with a slightly firmer dollar and consequently showed a small improvement against the D-Mark. Yen trading is tending to be a little rigid at the moment, with dealers attitudes affected by the poor health of Emperor Hirohito.

However, in the medium term, the yen's path appears to be an unknown factor. Strong economic growth in Japan has given the yen a firm undertone, but attitudes are changing, especially after a forecast by Mr Otto Schlecht, State Secretary in the West German Economics Ministry, that growth in West Germany next year could be as much as 4 p.c. This, together with the possibility of higher German interest rates, may enable the D-Mark to stay above key support at Y70.00.

EMS EUROPEAN CURRENCY UNIT RATES

	Ecu central rates	Currency amounts against Ecu Dec.13	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc	42.4582	43.5283	+2.52	+0.79	±1.5344
Danish Krone	7.85212	8.01412	+2.06	+0.33	±1.5404
German D-Mark	2.05853	2.07643	+0.87	-0.86	±1.0981
French Franc	6.90403	7.09939	+2.83	+1.10	±1.3674
Dutch Guilder	2.31943	2.34413	+1.06	-0.67	±1.5012
Irish Punt	0.768411	0.776283	+1.02	-0.71	±1.6684
Italian Lira	1483.58	1529.80	+3.12	+2.10	±4.0752

Changes are for Ecu, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

£ IN NEW YORK

Dec.13	Latest	Previous Close
£ Spot	1.8295-1.8300	1.8420-1.8430
1 month	0.52-0.51pm	0.57-0.55pm
3 months	1.61-1.59pm	1.68-1.64pm
12 months	5.59-5.49pm	5.72-5.62pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Dec.13	Previous
8.30 am	78.0	78.3
9.00 am	77.8	78.3
10.00 am	77.8	78.2
11.00 am	77.8	78.1
Noon	77.8	78.1
1.00 pm	77.8	78.1
2.00 pm	77.8	78.1
3.00 pm	77.8	78.2
4.00 pm	77.8	78.2

CURRENCY RATES

Dec.13	Bank rate %	Special* Drawing Rights	European Currency Unit
Sterling	-	0.740483	0.651135
U.S Dollar	6.50	1.36323	1.19027
Canadian $	8.75	1.63329	1.42678
Austrian Sch.	4	16.6709	14.6047
Belgian Franc	7½	49.6659	43.5283
Danish Krone	7½	9.14932	8.01412
Deutsche Mark	3½	2.36998	2.07643
Neth. Guilder	4	2.67602	2.34413
French Franc	9½	8.10031	7.09939
Italian Lira	12½	1749.43	1529.80
Japanese Yen	2½	167.541	146.558
Norway Krone	8	8.79829	7.71060
Spanish Peseta	-	154.269	134.918
Swedish Krona	8½	8.22846	7.20354
Swiss Franc	3	1.99645	1.74792
Greek Drach.	20½	197.314	172.947
Irish Punt	-	0.885444	0.776283

*All SDR rates are for Dec.12

CURRENCY MOVEMENTS

Dec.13	Bank of England Index	Morgan** Guaranty Changes %
Sterling	77.8	-14.2
U.S Dollar	93.3	-14.2
Canadian Dollar	83.9	-2.3
Austrian Schilling	136.1	+10.0
Belgian Franc	98.8	-5.6
Danish Krone	89.9	-0.0
Deutsche Mark	145.9	+21.6
Swiss Franc	168.6	+20.1
Guilder	134.2	+13.7
French Franc	69.2	-15.3
Lira	46.0	-20.1
Yen	252.3	+87.3

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (Base Average 1975=100) **Rates are for Dec.12.

OTHER CURRENCIES

Dec.13	£	$
Argentina (1)	28.6805-28.7725	15.6500-15.7500
Australia	2.1560-2.1580	1.1805-1.1815
Brazil	1175.90-1182.45	643.45-646.70
Finland	7.5180-7.5405	4.1180-4.1200
Greece	263.60-268.10	144.05-146.70
Hong Kong	14.2625-14.2760	7.8065-7.8085
Iran	124.40*	67.00*
Korea(Sth)	1256.35-1266.45	682.00-687.60
Kuwait	0.51195-0.51215	0.28030-0.28040
Luxembourg	66.95-67.05	36.60-36.70
Malaysia	4.9075-4.9195	2.6860-2.6880
Mexico	4166.70-4178.15	2280.00-2285.00
N. Zealand	2.8620-2.8670	1.5650-1.5675
Saudi Ar.	6.8515-6.8620	3.7505-3.7515
Singapore	3.5405-3.5460	1.9370-1.9390
S. Af (Cm)	4.3165-4.3280	2.3670-2.3700
S. Af (Fn)	6.7775-6.9055	3.7035-3.7735
Taiwan	51.65-51.95	28.10-28.20
U.A.E.	6.7075-6.7205	3.6725-3.6735

Commercial Rate now quoted *Selling rate

POUND SPOT- FORWARD AGAINST THE POUND

Dec.13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.8240-1.8365	1.8275-1.8285	0.54-0.51cpm	3.45	1.62-1.57pm	3.49
Canada	2.1905-2.2050	2.1925-2.1935	0.45-0.36cpm	2.19	1.10-0.96pm	1.88
Netherlands	3.59¾-3.61¼	3.60-3.61	2⅜-2¼cpm	7.70	6½-6¼pm	7.07
Belgium	66.70-67.20	66.95-67.05	37-31cpm	6.09	97-87pm	5.49
Denmark	12.21¼-12.34¾	12.31-12.32	5⅞-5¼orepm	5.42	15¾-15¼pm	5.03
Ireland	1.1935-1.1975	1.1935-1.1945	0.62-0.52ppm	5.73	1.57-1.47pm	5.09
W. Germany	3.18½-3.20	3.19¼-3.19¾	2⅛-2pfpm	7.75	5¾-5⅝pm	7.20
Portugal	263.70-265.55	263.85-264.85	7pm-37cdis	-0.68	par-97dis	-0.73
Spain	206.95-208.00	207.30-207.60	45-27cpm	2.08	68-47pm	1.11
Italy	2347¼-2360¼	2353½-2354½	par-3liredis	-0.76	3-parpm	0.25
Norway	11.84-11.86½	11.83½-11.84½	1¾-1¼orepm	1.52	3⅞-3¼pm	1.20
France	10.89¾-10.94	10.90¾-10.91¾	4½-4¼cpm	4.81	12¾-12pm	4.47
Sweden	11.06¾-11.09½	11.06¾-11.07¾	2⅞-2½orepm	2.91	7½-6⅞pm	2.60
Japan	224½-225¾	224½-225½	1¾-1⅝ypm	9.00	4¾-4⅝pm	8.11
Austria	22.42-22.52	22.42-22.45	15½-14½gropm	8.02	42¾-39⅝pm	7.34
Switzerland	2.68-2.69½	2.68¾-2.69¾	1⅞-1⅝cpm	7.81	5¾-5⅝pm	7.72

Belgian rate is convertible francs. Financial franc 67.20-67.30. Six-month forward dollar 3.22-3.17cpm 12 months 5.60-5.50cpm

DOLLAR SPOT- FORWARD AGAINST THE DOLLAR

Dec.13	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.8240-1.8365	1.8275-1.8285	0.54-0.51cpm	3.45	1.62-1.57pm	3.49
Ireland†	1.5295-1.5375	1.5295-1.5305	0.26-0.31cdis	-2.23	0.58-0.68dis	-1.64
Canada	1.1970-1.2010	1.1990-1.2000	0.11-0.14cdis	-1.25	0.47-0.51dis	-1.63
Netherlands	1.9655-1.9740	1.9715-1.9725	0.71-0.68cpm	4.23	1.78-1.74pm	3.57
Belgium	36.45-36.70	36.60-36.70	9.00-7.00cpm	2.63	20-16pm	1.97
Denmark	6.72-6.74½	6.73½-6.74	1.30-0.90orepm	1.96	2.75-2.55pm	1.57
W. Germany	1.7405-1.7495	1.7470-1.7480	0.61-0.58pfpm	4.09	1.63-1.58pm	3.68
Portugal	144¼-144¾	144½-144¾	40-60cdis	-4.15	130-180dis	-4.29
Spain	113.00-113.70	113.60-113.70	10-20cdis	-1.59	55-75dis	-2.29
Italy	1283-1289½	1287¾-1288¼	4.40-5.20liredis	-4.48	11.00-12.00dis	-3.58
Norway	6.45-6.48¾	6.47½-6.48	0.90-1.10oredis	-1.85	3.60-4.00dis	-2.35
France	5.95¼-5.98	5.96¾-5.97¼	0.73-0.66cpm	1.40	1.45-1.30pm	0.92
Sweden	6.03¾-6.06¼	6.05¼-6.05¾	0.10-0.30oredis	-0.40	1.35-1.65dis	-1.00
Japan	122.90-123.30	123.05-123.15	0.58-0.55ypm	5.51	1.50-1.47pm	4.83
Austria	12.25¾-12.29½	12.28¾-12.29¼	4.90-4.50gropm	4.59	12.50-11.00pm	3.83
Switzerland	1.4650-1.4725	1.4700-1.4710	0.55-0.52cpm	4.37	1.55-1.50pm	4.15

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 36.75-36.85.

EURO-CURRENCY INTEREST RATES

Dec.13	Short term	7 Days notice	One Month	Three Months	Six Months	One Year
Sterling	12-11¾	12⅝-12⅜	13-12⅞	13¼-13⅛	13¼-13⅛	13⅛-13
US Dollar	8⅞-8¾	8¾-8½	9⅝-9½	9⅞-9¾	9⅞-9¾	9⅞-9¾
Can. Dollar	10¼-10	10¼-10	10⅞-10¾	11⅛-10⅞	11⅛-10⅞	11⅛-10⅞
D. Guilder	5⅞-5⅝	5⅞-5⅝	5⅞-5¾	5⅞-5¾	5⅞-5¾	5⅞-5⅝
Sw. Franc	5⅛-5	5-4⅞	5⅜-5¼	5⅝-5½	5-4⅞	4⅞-4¾
Deutschmark	5⅛-5	5⅛-5	5⅜-5¼	5⅝-5½	5⅝-5½	5⅝-5½
Fr. Franc	7⅞-7⅝	8-7¾	8⅛-8⅛	8⅞-8¾	8⅝-8½	8⅝-8½
Italian Lire	14-12	16-14	14-13½	13⅛-12⅞	12⅞-12⅝	12⅞-12⅝
B. Fr. (Fin)	6⅞-6⅞	7¼-7	7¼-7⅛	7⅜-7¼	7⅞-7¾	7⅞-7¾
B. Fr. (Con.)	7-6¾	7⅛-6⅞	7⅛-7	7⅝-7⅛	7⅝-7⅛	7⅞-7¾
Yen	4½-4⅜	4⅝-4½	4⅝-4⅝	4⅞-4¾	4⅞-4¾	4⅝-4½
D. Krone	7⅞-7⅝	8-7¾	8-7¾	8-7¾	8¼-7⅞	8⅝-8⅜
Asian $Sing	8⅝-8½	8⅞-8⅝	9⅝-9½	9½-9⅝	9⅞-9¾	9½-9⅝

Long term Eurodollars: two years 9¼-9½ per cent; three years 9¼-9½ per cent; four years 9¼-9½ per cent; five years 9¼-9½ per cent nominal. Short term rates are call for US Dollars and Japanese Yen; others, two days' notice.

EXCHANGE CROSS RATES

Dec.13	£	$	DM	Yen	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1	1.828	3.195	225.0	10.91	2.688	3.605	2354	2.193	67.00
$	0.547	1	1.748	123.1	5.968	1.470	1.972	1288	1.200	36.65
DM	0.313	0.572	1	70.42	3.415	0.841	1.128	736.8	0.686	20.97
YEN	4.444	8.124	14.20	1000.	48.49	11.95	16.02	10462	9.747	297.8
F Fr.	0.917	1.676	2.929	206.2	10.	2.464	3.304	2158	2.010	61.41
S Fr.	0.372	0.680	1.189	83.71	4.059	1	1.341	875.7	0.816	24.93
H Fl.	0.277	0.507	0.886	62.41	3.026	0.746	1	653.0	0.608	18.59
Lira	0.425	0.777	1.357	95.58	4.635	1.142	1.531	1000.	0.932	28.46
C $	0.456	0.834	1.457	102.6	4.975	1.226	1.644	1073	1	30.55
B Fr.	1.493	2.728	4.769	335.8	16.28	4.012	5.381	3513	3.273	100.

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

FINANCIAL FUTURES

The good, the bad and sterling

ANY GOOD news on Liffe yesterday had offsetting bad factors, as far as sterling interest rate contracts were concerned.

Responding to questions about the latest UK retail sales figures, Mr Nigel Lawson, the Chancellor, said:"It is clear that excess spending is slowing down."

This eased fears about another rise in UK bank base rates, but improved sentiment was soon hit by a further weakening of sterling. Dealers commented that the pound appeared to need constant support from high interest rates.

March short sterling futures moved in a narrow range and closed at 86.92, compared with 86.94 on Monday. Long gilts for March delivery fell to 95-01 from 95-11.

US Treasury bond futures also weakened, following news that US retail sales rose 1.1 p.c. in November, against expectations of 0.4 p.c. This, coupled with an upward revision to October sales, increased fears of tighter monetary policy.

Rumours in Chicago that a large pension fund was selling corporate debt in favour of zero coupon bonds helped lift bondprices off the day's low.

LIFFE LONG GILT FUTURES OPTIONS

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
90	505	643	3	5
92	314	454	12	16
94	139	315	37	41
96	37	161	135	123
98	12	103	310	229
100	4	32	502	358
102	2	13	700	539

Estimated volume total, Calls 737 Puts 375
Previous day's open int. Calls 12789 Puts 12825

LIFFE US TREASURY BOND FUTURES OPTIONS

Strike Price	Calls-settlements Mar	Calls-settlements Jun	Puts-settlements Mar	Puts-settlements Jun
82	723	724	11	34
84	533	559	21	60
86	363	419	41	120
88	222	303	110	213
90	118	203	206	313
92	40	120	328	430
94	19	53	507	563

Estimated volume total, Calls 85 Puts 300
Previous day's open int. Calls 2001 Puts 3521

LIFFE FT-SE INDEX FUTURES OPTIONS

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
16000	—	—		
16500	1070	1374	0	124
17000	594	995	14	245
17500	199	681	129	431
18000	31	438	461	688
18500	2	265	932	1015
19000	0	150	1430	1400

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 0 Puts 6

LIFFE £/$ OPTIONS
£25,000 (cents per £1)

Strike Price	Calls-settlements Dec	Calls-settlements Jan	Puts-settlements Dec	Puts-settlements Jan
165	1790	1790	0	0
170	1290	1290	0	1
175	790	790	0	17
180	290	350	9	110
185	17	106	238	366
190	0	19	721	779
195	0	2	1221	1262

Estimated volume total, Calls 0 Puts 0
Previous day's open int. Calls 118 Puts 3815

LIFFE EURODOLLAR OPTIONS
$1m points of 100%

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
8975	81	—	0	—
9000	56	75	0	8
9025	32	56	1	14
9050	11	40	5	23
9075	2	27	21	35
9100	1	16	45	49
9125	0	9	69	67

Estimated volume total, Calls 200 Puts 304
Previous day's open int. Calls 6975 Puts 7486

LIFFE SHORT STERLING

Strike Price	Calls-settlements Dec	Calls-settlements Mar	Puts-settlements Dec	Puts-settlements Mar
8600	74	109	0	17
8625	49	90	0	23
8650	25	72	1	30
8675	6	56	7	39
8700	1	42	27	50
8725	0	32	51	65
8750	0	23	76	81

Estimated volume total, Calls 275 Puts 541
Previous day's open int. Calls 35301 Puts 28349

PHILADELPHIA SE £/$ OPTIONS
£31,250 (cents per £1)

Strike Price	Calls Dec	Calls Jan	Calls Feb	Calls Mar	Puts Dec	Puts Jan	Puts Feb	Puts Mar
1.750	7.30	7.37	7.58	7.87	-	0.28	0.88	1.58
1.775	4.91	5.20	5.60	6.13	-	0.67	1.53	2.28
1.800	2.59	3.37	3.96	4.60	0.17	1.39	2.34	3.30
1.825	0.93	2.05	2.65	3.35	0.88	2.40	3.60	4.59
1.850	0.23	1.13	1.79	2.38	2.75	3.97	5.12	6.12
1.875	0.04	0.54	1.11	1.73	4.89	5.88	6.91	7.86
1.900	0.01	0.26	0.63	1.18	7.36	8.03	8.92	9.67

Previous day's open int: Calls 532,704 Puts 520,664
Previous day's volume: Calls 17,414 Puts 16,022

LONDON SE £/$ OPTIONS
£12,500 (cents per £1)

Strike Price	Calls Dec	Calls Jan	Calls Feb	Calls Mar	Puts Dec	Puts Jan	Puts Feb	Puts Mar
1.650	15.65	16.15		16.20	0.35	0.45		0.90
1.700	12.90	11.15	11.30	13.25	0.30	0.55	1.30	1.80
1.750	9.25	6.25	7.20	7.95	0.20	1.50	2.45	3.15
1.800	6.90	2.90	4.20	4.70	1.00	1.70	4.50	5.30
1.850	0.65	1.50	3.05	4.70	1.25	3.15	3.25	5.95
1.900	4.25	1.05	1.55	1.50	9.75	6.00	11.35	8.45
1.950	0.45			1.40	17.60			20.40

Estimated volume total, Calls N/A Puts N/A
Previous day's open int: Calls 247 Puts 278

LONDON (LIFFE)

20-YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	94-13	94-25	94-16	94-23
Mar	95-01	95-12	95-00	95-11

Estimated Volume 12890 (12623)
Previous day's open int. 30999 (30817)

7-10 YEAR 9% NOTIONAL GILT
£50,000 32nds of 100%

	Close	High	Low	Prev.
Dec	91-20			91-28
Mar	92-05			92-13

Estimated Volume 0 (0)
Previous day's open int. 18 (18)

6% NOTIONAL LONG TERM JAPANESE GOVT. BOND Y100m 100ths of 100%

	Close	High	Low	Prev.
Mar	107.27	107.33	107.22	107.49
Jun				

Estimated Volume 193 (193)
Previous day's open int. 503 (498)

THREE MONTH STERLING
£500,000 points of 100%

	Close	High	Low	Prev.
Dec	86.74	86.75	86.68	86.73
Mar	86.92	86.96	86.86	86.94
Jun	87.65	87.71	87.60	87.69
Sep	88.23	88.28	88.19	88.27

Est. Vol. (inc. figs. not shown) 13162 (16298)
Previous day's open int. 59416 (60516)

FT-SE 100 INDEX
£25 per full index point

	Close	High	Low	Prev.
Dec	175.70	176.90	175.00	175.60
Mar	177.50	178.70	176.70	177.20
Jun				

Estimated Volume 2866 (3808)
Previous day's open int. 17794 (17192)

THREE MONTH EURODOLLAR
$1m points of 100%

	Close	High	Low	Prev.
Dec	90.56	90.61	90.55	90.62
Mar	90.67	90.76	90.65	90.77
Jun	90.66	90.75	90.64	90.75
Sep	90.64	90.73	90.62	90.72

Est. Vol. (inc. figs. not shown) 7666 (3093)
Previous day's open int. 51279 (50544)

US TREASURY BONDS 8%
$100,000 32nds of 100%

	Close	High	Low	Prev.
Dec	89-16	89-25	89-11	90-02
Mar	89-06	89-18	88-31	89-24
Jun	88-27			89-13

Estimated Volume 5238 (2963)
Previous day's open int. 8395 (8539)

6% NOTIONAL GERMAN GOVT. BOND
DM 250,000 100ths of 100%

	Close	High	Low	Prev.
Mar	95.31	95.45	95.23	95.46
Jun	94.71	94.85	94.71	94.85
Sep				

Estimated Volume 5243 (4867)
Previous day's open int. 9763 (9944)

POUND-$ (FOREIGN EXCHANGE)

Spot	1-mth.	3-mth.	6-mth.	12-mth.
1.8280	1.8228	1.8121	1.7961	1.7725

IMM-STERLING $s per £

	Latest	High	Low	Prev.
Dec	1.8252	1.8314	1.8238	1.8426
Mar	1.8100	1.8160	1.8098	1.8276
Jun	1.7970	1.7970	1.7950	1.8096

CHICAGO

U.S. TREASURY BONDS (CBT) 8%
$100,000 32nds of 100%

	Latest	High	Low	Prev.
Dec	89-13	89-25	89-10	89-22
Mar	89-01	89-14	88-30	89-11
Jun	88-21	89-01	88-19	89-00
Sep	88-12	88-21	88-12	88-23
Dec	88-02	88-12	88-02	88-14
Mar	87-29	87-29	87-29	88-06
Jun	-	-	-	87-31
Sep	-			
Dec	87-11	87-11	87-11	87-20
Mar	-	-	-	87-15
Jun	-	-	-	87-10

U.S. TREASURY BILLS (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	91.93	92.00	91.92	91.99
Mar	91.92	92.02	91.91	92.01
Jun	91.89	91.98	91.89	92.02
Sep	91.91	92.02	91.91	92.02
Dec	-	-	-	91.86
Mar	-	-	-	91.94
Jun	-	-	-	91.93

SWISS FRANC (IMM)
SFr 125,000 $ per SFr

	Latest	High	Low	Prev.
Dec	0.6812	0.6821	0.6800	0.6833
Mar	0.6879	0.6889	0.6870	0.6900
Jun	0.6960	0.6963	0.6950	0.6978
Sep	0.7030	-	0.7030	0.7048

JAPANESE YEN (IMM)
Y12.5m $ per Y100

	Latest	High	Low	Prev.
Dec	0.8127	0.8136	0.8118	0.8151
Mar	0.8220	0.8229	0.8210	0.8245
Jun	0.8323	0.8323	0.8320	0.8347
Sep	0.8410	0.8410	0.8410	0.8441

DEUTSCHE MARK (IMM)
DM125,000 $ per DM

	Latest	High	Low	Prev.
Dec	0.5792	0.5742	0.5725	0.5752
Mar	0.5778	0.5791	0.5773	0.5801
Jun	0.5840	0.5840	0.5840	0.5859

THREE-MONTH EURODOLLAR (IMM)
$1m points of 100%

	Latest	High	Low	Prev.
Dec	90.54	90.61	90.54	90.59
Mar	90.65	90.74	90.64	90.73
Jun	90.63	90.73	90.62	90.71
Sep	90.62	90.71	90.61	90.68
Dec	90.46	90.55	90.46	90.53
Mar	90.54	90.62	90.54	90.60
Jun	90.50	90.59	90.50	90.57
Sep	90.50	90.57	90.49	90.55

STANDARD & POORS 500 INDEX
$500 times index

	Latest	High	Low	Prev.
Dec	275.80	275.95	275.30	276.15
Mar	278.90	279.15	278.45	279.30
Jun	281.60	281.80	281.40	282.15
Sep	283.60	-	283.60	284.40

EUROPEAN OPTIONS EXCHANGE

Series		Feb. 89 Vol	Feb. 89 Last	May 89 Vol	May 89 Last	Aug. 89 Vol	Aug. 89 Last	Stock
GOLD C	$400	32	27.50	5	38.50	200	48.50	$420.85
GOLD C	$420	4	13	21	24.50	-	-	$420.85
GOLD C	$440	7	4.90	-	-	9	21.50	$420.85
		Dec. 88		**Jan. 89**		**Feb. 89**		
EOE index C	Fl.235	44	10.60	125	12.50	2	15	Fl.245.10
EOE index C	Fl.240	347	5.50	40	8.60	10	11.20	Fl.245.10
EOE index C	Fl.245	184	1.70	66	5.30	2	8	Fl.245.10
EOE index C	Fl.250	31	0.50	66	3.20 A	-	-	Fl.245.10
EOE index C	Fl.260	-	-	15	0.80	-	-	Fl.245.10
EOE index P	Fl.230	10	0.10	3666	1	1803	2.50	Fl.245.10
EOE index P	Fl.235	33	0.10	25	1.70 B	-	-	Fl.245.10
EOE index P	Fl.240	159	0.60	128	3.20	1817	5.30	Fl.245.10
EOE index P	Fl.245	149	1.90	104	5.50	10	7 B	Fl.245.10
EOE index P	Fl.250	178	5.50	727	8	-	-	Fl.245.10
		Feb. 89		**May 89**		**Aug. 89**		
OBL index P	Fl.100	4	1	-	-	10	1.60	Fl.99.43
		Dec. 88		**Jan. 89**		**Feb. 89**		
$/Fl C	Fl.360	16	0.50	4	1.50	4	1.50	Fl.360.58
$/Fl C	Fl.195	1085	2.50	161	3.60	-	-	Fl.197.23
$/Fl C	Fl.200	74	0.45	24	1.50	2	2.20	Fl.197.23
$/Fl P	Fl.190	25	0.10	3	1	-	-	Fl.197.23
$/Fl P	Fl.195	10	0.60 B	50	2.40	-	-	Fl.197.23
$/Fl P	Fl.200	34	3.20	8	5.50	-	-	Fl.197.23
$/Fl P	Fl.205	26	8.50	5	9.50	-	-	Fl.197.23
		Jan. 89		**Apr. 89**		**Jul. 89**		
ABN C	Fl.45	157	0.30	25	1.10	48	1.40	Fl.41.20
ABN P	Fl.45	17	3.80	12	4.20	2	5	Fl.41.20
AEGON C	Fl.80	200	9.20	7	10.60	-	-	Fl.88.80
AEGON P	Fl.95	51	6.50	-	-	-	-	Fl.88.80
AHOLD C	Fl.85	15	2 A	10	4	-	-	Fl.82.40
AHOLD P	Fl.85	21	4.50	-	-	-	-	Fl.82.40
AKZO C	Fl.150	425	3.80	46	9	13	10.10	Fl.148.20
AKZO P	Fl.150	147	4.80	117	8	9	11.50	Fl.148.20
AMEV C	Fl.60	-	-	-	-	12	1.70	Fl.51.60
AMEV P	Fl.55	20	4	-	-	-	-	Fl.51.60
AMRO C	Fl.80	11	1	14	2.40	3	3.20	Fl.76.30
BUHRMANN-T C	Fl.60	8	0.50	45	1.30	4	2.70	Fl.54.30
ELSEVIER C	Fl.65	5	0.60 A	115	1.80	-	-	Fl.58.50
ELSEVIER P	Fl.66	-	-	10	7 B	-	-	Fl.58.50
GIST-BROC. C	Fl.40	362	2.20	60	4.10	9	5.10	Fl.40.90
GIST-BROC. P	Fl.35	400	0.30	-	-	-	-	Fl.40.90
HEINEKEN C	Fl.140	38	3.30	7	7	-	-	Fl.138
HEINEKEN P	Fl.140	31	4.10	1	6	30	9.10	Fl.138
HOOGOVENS C	Fl.70	543	4	89	7.50	-	-	Fl.70.70
HOOGOVENS P	Fl.65	131	1.10	6	2.50	-	-	Fl.70.70
KLM C	Fl.40	1108	2.80	578	4.30	27	5.20	Fl.42
KLM P	Fl.40	41	0.70	76	1.60	3	2.40	Fl.42
KNP C	Fl.42.50	508	3.40	152	4.50	-	-	Fl.45
KNP P	Fl.45	163	1.40	28	3.10	-	-	Fl.45
NEDLLOYD C	Fl.250	212	6.20	23	16.50	-	-	Fl.246.20
NEDLLOYD P	Fl.240	105	4.80	97	11.60	-	-	Fl.246.20
NAT.NED. C	Fl.70	90	0.30	161	1.20	4	1.60	Fl.62.20
NAT.NED. P	Fl.65	9	3.30	112	4	69	5.50	Fl.62.20
PHILIPS C	Fl.30	156	1.50	148	2.70	75	3	Fl.30.80
PHILIPS P	Fl.27.50	-	-	-	-	580	1.20	Fl.30.80
ROYAL DUTCH C	Fl.220	250	8.10	3	14	-	-	Fl.225.70
ROYAL DUTCH P	Fl.220	233	1.50	15	4.50	-	-	Fl.225.70
UNILEVER C	Fl.120	622	0.80	110	3.90	17	5.60	Fl.113.30
UNILEVER P	Fl.100	134	0.30	-	-	-	-	Fl.113.30
VAN OMMEREN C	Fl.30	181	3	20	3.90	18	4.20	Fl.32.50
VAN OMMEREN P	Fl.30	170	0.40	30	0.80	-	-	Fl.32.50
WESSANEN P	Fl.75	10	0.50	-	-	-	-	Fl.79.50

TOTAL VOLUME IN CONTRACTS : 35,917
A=Ask B=Bid C=Call P=Put

BASE LENDING RATES

Bank	%	Bank	%	Bank	%
ABN Bank	13	City Merchants Bank	13	NatWestminster	13
Adam & Company	13	Clydesdale Bank	13	Northern Bank Ltd	13
AAB - Allied Arab Bk	13	Comm.Bk.N.East	13	Norwich Gen. Trust	13
Allied Irish Bank	13	Co-operative Bank	*13	PRIVATbanken Limited	13
● Henry Ansbacher	13	Coutts & Co	13	Provincial Bank PLC	14
ANZ Banking Group	13	Cyprus Popular Bk	13	R. Raphael & Sons	13
Associates Cap Corp	12	Dunbar Bank PLC	13	Roxburghe G'rantee	13½
Authority Bank	13	Duncan Lawrie	13	Royal Bk of Scotland	13
● B & C Merchant Bank	13	Equatorial Bank plc	13	Royal Trust Bank	13
Bank of Baroda	13	Exeter Trust Ltd	13½	● Smith & Williamson Secs.	13
Banco Bilbao Vizcaya	13	Financial & Gen. Bank	13	Standard Chartered	13
Bank Hapoalim	13	First National Bank Plc.	14	TSB	13
Bank Leumi (UK)	13	● Robert Fleming & Co.	13	United Bk of Kuwait	13
Bank Credit & Comm	13	Robert Fraser & Ptnrs.	13½	United Mizrahi Bank	13
Bank of Cyprus	13	Girobank	13	Unity Trust Bank Plc	13
Bank of Ireland	13	● Guinness Mahon	13	Western Trust	13
Bank of India	13	HFC Bank plc	13	Westpac Bank Corp.	13
Bank of Scotland	13	● Hambros Bank	13	Whiteaway Laidlaw	13½
Banque Belge Ltd	13	Heritable & Gen Inv Bank	13	Yorkshire Bank	13
Barclays Bank	13	● Hill Samuel	§13		
Benchmark Bank PLC	13	C. Hoare & Co.	13		
Berliner Bank AG	13	Hongkong & Shangh	13		
Brit Bk of Mid East	13	● Leopold Joseph & Sons	13		
● Brown Shipley	13	Lloyds Bank	13		
Business Mtge Tst	13½	Meghraj Bank Ltd	13		
CL Bank Nederland	13	McDonnell Douglas Bnk	13		
Central Capital	13	Midland Bank	13		
● Charterhouse Bank	13	Mortgage Express Ltd.	‡13.95		
Citibank NA	13	Mount Credit Corp.	13		
		Nat Bk. of Kuwait	13		

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MONEY MARKETS

Awaiting rate moves

SPECULATION ABOUT higher international interest rates increased yesterday, but the need for a rise in UK bank base rates may be fading.

The US Federal Open Market Committee concludes a two-day meeting today, amid suggestions that the FOMC may sanction a rise of ½ p.c. to 7 p.c. in the Federal Reserve's discount rate. This follows signs of strong US economic growth, including news yesterday of a sharp rise in November retail sales.

UK clearing bank base lending rate 13 per cent from November 25

Today's announcement of the allocation of funds at a securities repurchase agreement tender could provide a clue as to West German monetary policy, and whether tomorrow's Bundesbank council meeting will result in an increase of ½ p.c. to 5½ p.c. in the Lombard rate. This is the cost to commercial banks of emergency borrowing from the authorities.

The Bundesbank offered a 35-day securities repurchase agreement tender, at no minimum rate. If the allocation does not exceed the DM6.9bn draining from the market, as an earlier agreement expires, dealers are likely to take it as a signal that the Lombard rate will be increased.

The Dutch Central Bank added to the mood of uncertainty yesterday, when taking the unusual step of delaying until this morning the announcement of a rate for five-day special advances to the Amsterdam money market.

A weakening of the guilder against the D-Mark has led to suggestions that the rate could rise from the 5.25 p.c. seen at the last allocation.

Interest rates were little changed in London, but comments made by Mr Nigel Lawson, the Chancellor, about a slow down in consumer spending were taken as an indication that another rise in UK base rates might be avoided. Three-month interbank was quoted at 13⅛-13 p.c., compared with 13¼-13⅛ p.c.

Credit conditions in London were very comfortable. The Bank of England initially forecast a flat credit position on the money market, but revised this to a surplus of £100m at noon.

The authorities did not operate in the market before lunch, but in the afternoon absorbed the surplus by selling £120m Treasury bills, due tomorrow, at a rate of 11⅞ p.c.

Bills maturing in official hands, repayment of late assistance, and a take-up of Treasury bills drained £21m, with a rise in the note circulation absorbing £105m, and bank balances below target £50m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Dec.13) 3 months US dollars		6 months US Dollars	
bid 9¾	offer 9⅞	bid 9¾	offer 9⅞

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK (Lunchtime)

Prime rate	10½
Broker loan rate	9¾-⅝
Fed.funds	8⅞-⅞
Fed.funds at intervention	-

Treasury Bills and Bonds

One month	6.37	Three year	9.17
Two month	7.78	Four year	9.17
Three month	8.41	Five year	9.16
Six month	8.79	Seven year	9.18
One year	9.02	10-year	9.14
Two year	9.17	30-year	8.95

Dec.13	Overnight	One Month	Two Months	Three Months	Six Months	Lombard Intervention
Frankfurt	4.95-5.05	5.40-5.60	5.40-5.60	5.40-5.60	5.40-5.60	5.00
Paris	7⅞-8⅛	8-8⅛	8⅜-8½	8⅛-8⅜	8⅜-8⅛	7.25
Zurich	4⅞-5⅛	5¼-5½	-	5-5¼	-	-
Amsterdam	5.43-5.56	5.52-5.62	-	5.62-5.72	-	-
Tokyo	4.21875	4.71875	-	4.53125	-	-
Milan	11½-11⅞	12½-13	-	12¼-12⅝	-	-
Brussels	4.70	7⅛-7⅜	-	7⅛-7⅜	-	-
Dublin	7⅛-7⅜	7⅝-7⅞	7¾-8	7⅞-8¼	8⅛-8⅜	-

LONDON MONEY RATES

Dec.13	Overnight	7 days notice	One Month	Three Months	Six Months	One Year
Interbank Offer	12½	12½	12⅞	13⅛	13⅛	13⅛
Interbank Bid	10½	12¼	12¾	13⅛	13⅛	12⅞
Sterling CDs	-	-	12⅞	13⅛	13⅛	12⅞
Local Authority Deps.	11½	12¼	12¾	12⅞	13⅛	12¾
Local Authority Bonds	-	-	-	-	-	-
Discount Mkt Deps.	12	12¼	12⅝	12⅝	-	-
Company Deposits	-	-	13	12⅞	12⅞	13
Finance House Deposits	-	-	12⅞	13⅛	13⅛	13
Treasury Bills (Buy)	-	-	12⅝	12⅞	-	-
Bank Bills (Buy)	-	-	12⅝	12⅞	12½	-
Fine Trade Bills (Buy)	-	-	13⅛	13⅛	13⅛	-
Dollar CDs	-	-	9.55-9.50	9.35-9.30	9.35-9.30	9.45-9.40
SDR Linked Dep Offer	-	-	8⅛	8⅛	8⅛	8⅛
SDR Linked Dep Bid	-	-	8⅛	8⅛	8⅛	8⅛
ECU Linked Dep Offer	-	-	8	8	8	8
ECU Linked Dep Bid	-	-	7¾	7¾	7¾	7¾

Treasury Bills (sell); one-month 12⅜ per cent; three months 12⅜ per cent; Bank Bills (sell); one-month 12⅜ per cent; three months 12⅞ per cent; Treasury Bills; Average tender rate of discount 12.6075 p.c. ECGD Fixed Rate Sterling Export Finance. Make up day November 30, 1988. Agreed rates for period December 26,1988 to January 24, 1989, Scheme I: 13.27 p.c. Schemes II & III: 13.61 p.c. Reference rate for period November 1,1988 to November 30, 1988, Scheme IV&V: 12.251 p.c. Local Authority and Finance Houses seven days' notice, others seven days' fixed. Finance Houses Base Rate 12½ from December 1, 1988; Bank Deposit Rates for sums at seven days notice 4 per cent. Certificates of Tax Deposit (Series 6); Deposit £100,000 and over held under one month 7½ per cent; one-three months 9 per cent; three-six months 9 per cent; six-nine months 9¼ per cent; nine-twelve months 9¼ per cent; Under £100,000 7 per cent from July 5,1988. Deposits withdrawn for cash 5 per cent.

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FORWARD TRUST TREASURY SERVICES
01-588 2333
MAKING MONEY MAKE MONEY

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WORLD STOCK MARKETS

AUSTRIA

December 13	Sch	+ or −
Creditanstalt	2,050	—
Goesser	3,000	—
Interunfall	14,200	−200
Jungbunzlauer	8,000	—
Laenderbank	378	—
Perlmooser	630	—
Reininghaus	896	−4
Semperit	178	—
Steyr-Daimler	79	−1
Veitscher Mag	635	−3

BELGIUM/LUXEMBOURG

December 13	Frs.	+ or −
B.B.L.	3,040	
Bank Intl. a Lux	13,300	+50
Banque Gen. Du Lux	13,950	
Banque Nat Belg	37,500	−275
Bekaert B	13,750	
Ciment CBR	6,310	+10
Cobepa	5,300	−10
Do. AFV 1	5,350	+50
Do. AFV 2	5,430	−70
Cockerill	306	
Colruyt	9,500	+10
Delhaize	4,720	+70
EBES	4,535	−45
Do. AFV 1	4,510	−10
Do. AFV 2	4,510	−10
Fabrique Nat	700	
GB Inno BM	1,266	+10
Do. AFV	1,288	+12
GBL (BruxL)	3,730	+15
Do. AFV 1	3,705	+15
Do. AFV 2	3,705	+15
Do. AFV 3	3,700	
Gechem	708	−70
Do. AFV	704	−96
Generale Bank	6,010	−40
Do. AFV 1	6,440	−110
Do. AFV 2	6,760	
Gevaert	7,900	−70
Hoboken	12,000	+25
Do. AFV	11,900	+100
Intercom	3,500	−10
Do. AFV 1	3,455	−20
Do. AFV 2	3,470	
Kredietbank	4,410	+10
Do. AFV	4,525	−80
Pan Holdings	12,500	−100
Petrofina	13,600	+550
Raffinerie Tirle	1,635	
Royale Belge	5,010	+60
Do. AFV 1	4,960	−40
Do. AFV 2	5,310	−40
Soc Gen Belge	4,450	−50
Do. AFV	4,950	+10
Sofina	11,900	+125
Solvay	13,000	+50
Stanwick Intl	130	
Tessenderlo	5,920	+30
Do. AFV	5,900	+10
Tractebel	8,550	
Do. AFV 1	8,300	—
Do. AFV 2	8,350	—
Do. AFV 3	8,300	+20
Do. AFV 4	8,650	+90
UCB	9,100	−100
Do. AFV	9,100	
Unerg	2,630	−15
Do. AFV 1	2,620	−15
Do. AFV 2	2,605	
Wagons Lits	7,990	−30
Do. AFV	7,500	−210

DENMARK

December 13	Kr	+ or −
Baltica Hldgs	556.1	−4
Carlsberg	1081.8	−78.2
Cop Handelsbank	338.9	−0.3
D. Sukkerfab	570.2	−10.8
Den Danske Bank	429.5	−0.4
East Asiatic	261.6	−5.9
GNT Holding	200.9	−3.4
I.S.S. B Systems	691.8	−1.9
Jyske Bank	464.4	−3.6
Nordisk Kabel	595	
Novo Inds	267.1	−1.2
Privatbanken	298.2	−3.4
Royal C'hagen A	346.5	+6.5
Smidth (Fl) B	2368.2	−10.1
Sophus Berendsen	880.3	−10.9
Superfos	4402.5	+12.5

FINLAND

December 13	Mka	+ or −
Amer	162	−0.5
Finnish Sugar	73	+3.5
Huhtamaki I Free	75	—
Huhtamaki K Free	185	
KOP	63.15	−1.6
Kone	274	−2.5
Kymmene	121.5	−1
Nokia	127	−8.5
Pohjola "B"	91.75	+0.25
Rauma-Repola	38.85	−0.15
Stockmann "B"	164	−8
UBF "C"	30.8	−0.3
Utd. Paper Prf.	120.5	
Wartsila (cl1)	214.5	−1.5

FRANCE

December 13	Frs.	+ or −
Accor	556	−2
Afrique Occident	1,939	+12
Air Liquide	543	−6
Alcatel	2,410	−20
Alsthom	366	+0
Arjomari-Prioux	2,205	−30
Auxiliaire d'Ent	1,070	−9
BIC	806	−7
BSN	5,720	—
Bancaire Cie	490	−9
BNP (Cert.Inv.)	283	−13
Beghin-Say	516	−5
Do. Certs	384	
Bongrain	2,910	−4
Bouygues	567	−2
Carnaud	525	−5
Carrefour	3,049	+2
Casino	173	−8
Cetelem	605	−5
Chargeurs	1,159	−23
Ciments Fr.	1,108	−10
Club Mediterranee	521	+10
Coflexip	345	−4
Cogifi	350	−2
CGE	398	−8
Coparex	365	
Cred Foncier Fr	866	+2
Credit National	973	−12
Damart	3,285	+15
Docks de France	2,531	+1
Dollfus-Mieg	421	−3
Dumez S.A.	721	−22
Eaux (Cie Gen)	1,542	−9
Ecco	1,710	+10
Electrofin're	869	−11
Elf-Aquitaine	356	+3
Do. Certs	320	+2
Epeda-Bertrand	1,100	−30
Essilor	3,380	−125
Eternit (Fin.)	2,701	+1
Euraframce	1,460	−35
Eurocom	1,318	−3
Euromarche	2,260	
Exor	1,160	−6
Florestel	285	
Fonciere Lyonn	450	—
Fromageries	1,995	−15
GTM-Entrepose	807	−23
Gascogne (Soc I)	658	—
Geo Geophysique	460	+8
Gen. Occidentale	780	−11
Hachette	267	+2
Havas	681	−10
Do. Certs	640	
Imetal	280	−3
Immeubles de Fr	1,028	+3
Immeubles Pl Mon	320	
Immobanque	730	+5
Industrielle	3,019	+29
Interbail	549	+1
Intertechnique	1,457	−43
LVMH	3,160	−24
Lafarge Coppee	1,378	−17
La Henin	578	+6
L'Oreal	3,990	−50
Legrand	3,300	−2
Locafrance	440	−7
Lyonn. des Eaux	1,520	+25
Maisons Phenix	58	−0
Matra S.A.	237	+1
Merlin-Gerin	3,230	−60
Michelin B	172	−0
Midi (Cie)	1,586	−7
Moulinex	98	−2
Navigation Mixt	1,157	−24
Nord Est	132	+1
Nouvelle Galer.	626	−4
OFP	1,415	−14
Orsan	475	+9
Paribas	460	−3
Paris Rescompte	414	−0
Pechelbronn	1,038	−2
Pernod Ricard	1,175	−13
Perrier	1,363	+3
Peugeot S.A.	1,204	−7
Poliet	587	+2
Pretabail Sicomi	1,144	−5
Printemps Au	576	−7
Promodes	2,550	+5
Radiotech	604	−5
Redoute	3,175	+4
Rhone-Poul (Cls)	480	+5
Roussel-Uclaf	1,236	−4
SILIC	713	+2
Sagem	1,597	+48
St. Gobain	554	+3
Saint Louis	1,036	−1
Sanofi	743	−11
Schneider	575	−10
Seb SA	776	−4
Sefimeg	441	+1
Simco	536	−4
Skis Rossignol	1,239	−2
Soc. Gen. de Fr	576	−15
Sommer-Allibert	2,170	−55
Spie-Batignolles	442	−3
Suez (Fin de)	309	−4
Taittinger	2,920	—
TRT	1,300	+2
Telemech Elect	3,701	+1
Thomson (CSF)	215	−0
Total-Petroles Fr.	344	−5
UFB Locabail	365	−3
Uaibail	725	−5
Union Immob Fr	552	+2
Valeo	565	−15
Vallourec	237	−2

GERMANY

December 13	Dm.	+ or −
AEG	186	+3.4
AG Ind & Verkehr	440	
Aachener Muench	797	+1
Allianz AG	1,804	+7
Altana	340	−0.5
Asko Deutsche K	739	−9
Do. Prf.	594	+4
BASF	279.2	−2
Badenwerk	180.2	−2.8
Bayer	296.2	−1.3
Bayer-Hypo	349	−5
BMW	525.5	−1.5
Bayer-Verein	349	−5
Beiersdorf	538	
Berliner Kraft	121	−0.7
BHF-Bank	409	−1
Bilfinger & Berg	325	+6
Brown Boveri	383	−2
Colonia Versich	567	−6
Do. Pref.	584	+15
Commerzbank	233.3	−1.2
Continental AG	264.7	+0.7
DLW	426	+5
Daimler-Benz	748.3	−0.7
Daniel (Fr.)	138.8	+2.5
Degussa	379.8	−1
Deutsche Babcock	148.5	+0.5
Deutsche Bank	538.2	−1.5
Didier-Werke	206	−6
Dragerwerk	295	+7
Dresdner Bank	301.5	
Fag Kugelfischer	232	+0.2
Feldmuehle Nobel	264.2	−2.8
Gerresheimer	199	
Goldschmidt (TH)	329.5	+4.5
Hamburg Elekt	119	+1
Hapag Lloyd	320	+12
Harpener	420	+5
Heidelberger Zem	585	−23
Henkel	484	−10
Herlitz	178	+2
Hochtief	590	−2.5
Hoechst	296.6	−1.9
Hoesch	177	−1.5
Holzmann (P)	575	−8
Horten	205	+2
Hussel	414	−1
Industriekreditb.	209	−1
Industrie Werke	264.5	+1.5
Kali & Salz	154	−1.5
Karstadt	376.5	−4.5
Kaufhof	343	+7
KHD	127	+4.5
Kloeckner Werke	113.7	−2.2
Kraft Werke Rh	254	—
Lahmeyer	645	—
Leifheit	495	+5
Linde	741	−3
Lufthansa	145	−1
Do. NV Pref.	120.5	+1.5
MAN	240	+1
Do. Pref.	198.5	+2.5
Mannesmann	202.5	
Mannheimer Vers	647	+5
Mercedes Hld	619.8	+0.8
Metallgesell	334.8xr	+1.8
Muench Rueck	2,310	—
Nixdorf	295.5	
PWA	232.5	−3
Philips Kommun.	612	−1
Porsche	584	+1
Preussag	174	+1
Rheinelektra	1,260	+4
Rhein West Elect	224	−2
Do. Pref.	204.2	−2.8
Rheinmetall Berl	400	−7
Do. Pref.	285	−6
Rosenthal	239	−1
Schering	565	+2.2
Schmalbach-Lub	160	—
Siemens	497	+2.5
Springer Vlg Rg	475	−5
Sud-Chemie	520	
Thyssen	185.3	+0.3
Varta	314	+1
Veba	265	−0.5
V.E.W.	160.5	
Verein-West	371	+3
Volkswagen	336.2	+3.2
Do. Pref.	291	+0.5
Wella Pref.	560	−5
Zanders Feinpap	250	+0.5

ITALY

December 13	Lire	+ or −
Banca Com'le	3,025	−15
Banca Naz Agric	8,600	−75
Banco Lariano	3,735	−55
Bastogi-IRBS	243	−2
Benetton	10,475	−210
Burgo (Cartiere)	13,800	+50
CIR	5,675	−70
Caffaro	1,119	
Cementir	3,661	−39
Ciga hotel	4,595	−80
Cofide	5,460	−110
Credito Italiano	1,615	
Danieli	7,650	−48
Eridania	5,230	+5
Fiat	9,670	−106
Do. Priv.	6,010	−40
Fidis	6,720	−30
Fondiaria	73,500	
Gemina	1,740	−10
Generali Assicur	43,610	−380
Gilardini Inds.	11,920	−30
IFI Priv.	18,550	−250
Italcable	11,305	+55
Italcementi	124,350	−650
Italgas	1,980	−21
Lloyd Adriatico	17,090	−110
Magneti Marelli	2,935	+26
Mediobanca	19,505	+20
Mira-Lanza	42,780	+190
Montedison	1,940	−20
Olivetti	9,102	−33
Pirelli Co	6,820	−110
Pirelli Spa	2,850	−30
Rinascente La	4,740	−5
RAS	42,490	−130
SIP	2,870	−20
Saffa A	8,270	
Saipem	2,300	
SASIB	4,199	−41
Siossigeno	31,250	+100
Sirti Spa	9,770	−20
SMI	1,051	−9
Snia BPD	2,611	−114
Toro Assicur	22,500	+440
Tosi Franco	18,780	+30
Unicem	24,100	−600

NETHERLANDS

December 13	Fls.	+ or −
ACF Holding	53.30	+0.1
AEGON	88.80	+1.3
Ahold	82.40	−0.6
AKZO	148.20	−0.9
ABN	41.20	−0.4
AMEV	51.60	−0.4
AMRO	76.30	−0.6
Bols Lucas	145.70	−0.8
Borsumij Wehry	106.20	−0.3
Buehrmann-Tet	54.30	−0.2
Center Parcs	53.70	−0.6
Centrale Suiker	62.50	−0.2
Dordtsche Petroleum	207.50	+0.5
Elsevier Nda	58.50	−0.4
Fokker	24.80	+0.4
Gamma	59.50	−1.5
Gist Brocades	40.90	+0.5
Heineken	138.00	−0.5
Holl. Beton	171.20	+1.2
Hoogovens	70.70	−1.1
Hunter Douglas	79.60	−0.3
IHC Caland	17.20	—
Int Mueller	65.90	—
KLM	42.00	—
Kempen	15.10	—
KNP	45.0	−0.2
Nat Ned Cert.	62.20	−0.8
Ned Mid Bank	178.50	
Nedlloyd	246.20	+1.2
Nijverdale	78.70	+0.7
Nutricia Ver B.	258.00	+1
Oce Grinten	258.00	−2
Ommeren (Van)	32.50	+0.2
Pakhoed	98.00	−0.3
Philips	30.80	+0.3
Robeco	94.60	−0.5
Rodamco	155.00	
Rolinco	89.70	−0.4
Rorento	60.20	−0.1
Royal Dutch	225.70	−0.3
Unilever	113.30	−0.5
VMF Stork	24.60	−0.4
VNU	87.70	+0.2
Wessanen	79.50	−0.3
Wolters Kluwer	147.50	−1

NORWAY

December 13	Kroner	+ or −
Aker	46.00	−1.5
Bergens Bank	114.00	−2.5
Bergesen B	390.00	−8
Christiania Bk	116.50	−5
Den Norske Credit	85.00	
Dyno Ind.	84.50	−1
Elkem	176.00	+5
Hafslund Nyco.	150.00	+1
Kosmos	133.00	
Kvaerner	245.00	−2
Norsk Data A	46.00	−0.5
Norsk Hydro	112.00	+1.5
Orkla Borregaard	240.0	+2
Storebrand	41.00	−0.5

SPAIN

December 13	Pts.%	+ or −
Banco Bilbao Viz	1,180	—
Banco Central	980	—
Banco Exterior	445	—
Banco Hispano	816	—
Banco Popular	1,800	—
Banco Santander	914	—
Banesto	980	—
Citroen Hispania	1,195	+5
Corp. Mapfre	1,400	−10
Dragados	437	−17.5
Ebro	3,721	
Electra Viesgo	298	+6
Energia Ind Ara	547	+2
Esp Carburos Mt	730	+10
Esp Acum Tudor	329	−11
Explosivos Rio	301	+5
Fasa Renault	480	+18
Fecsa	49.5	−0.2
Hidrocl Cantab.	187	
Hidrola	93.2	+1.4
Iberduero	119.5	−0.6
Koipe	380	
Metal Duro-Felg	435	
Petroleos (Cia Esp)	460	−5
Portland Vald.	3,325	+15
SNIACE	215	+1
Sarrio	398	+25
Sarin	545	+20
Sevillana Elec.	97	−0.5
Tabacalera	800	
Telefonica	173	−0.5
Torras Hostench	2,079	+8
Union Elec-Fen.	81.5	
Union y el Fenix	2,460	+10
Uralita	600	—
Urbis Ser.2	489	—

SWEDEN

December 13	Kronor	+ or −
AGA B (Free)	216	−2
Alfa-Laval B (Free)	462	+17
Asea A Free	390	—
Asea B (Free)	372	−3
Astra B (Free)	231	−3
Atlas Copco A (Free)	282	−1
Electrolux B (Free)	296	
Ericsson B (Free)	349	−1
Esselte B (Free)	207	+2
Gambro B Free	113	+1
Mo Och Dom B Free	370	
Pharmacia B (Free)	184	−8
Saab-Scania B Free	193	+1
Sandvik B (Free)	285	+2
Skandia (Free)	184	+5
Skandia Intl	235	+2
Skan Enskilda	171	+1
SKF B Free	373	−7
St Kopparb'g A Free	313	−1
Svka Cell'sa B (Free)	361	−2
Svka Handelsbn.	151	+2
Trelleborg B Fr	280	−4
Volvo B (Free)	348	+6

SWITZERLAND

December 13	Frs.	+ or −
Adia Intl	8,700	−150
Alusuisse	815	+1
Do. Ptg. Certs.	63	−1
Baloise Hld Ptg	2,150	−75
Bank Leu	3,290	−40
Do. Ptg.	425	−2
Brown Boveri	2,800	—
Do. Ptg.	403	+1
Ciba Geigy	2,850	
Do. (PtCts)	2,030	−25
Credit Suisse	2,680	−10
Elektrowatt	2,720	−60
Elvia	1,870	−10
Fischer (Geo.)	1,175	
Do. Ptg.	178	−1
Forbo	2,875	
Hoff-Roche (PtCts)	124,000	−250
Hoff-Roche 1/10	12,400	−25
Holderbank (Br)	5,060	−50
Holzstoff (Br)	5,775	+175
Inspectorate Int.	2,100	
Do. Ptg.	232	+5
Jacobs Suchard	6,960	−60
Do. Ptg.	587	—
Jelmoli	2,800	
Do. Ptg. Certs	380	−6
Landis and Gyr	1,515	—
Do. Ptg.	125	
Mag. Globus Ptg	1,110	−30
Mikron (Br)	2,025	+75
Motor-Columbus	2,240	−25
Nestle	6,865	−5
Oer-Buhrle	1,105	+5
Pargesa Hldg	1,450	−10
Pirelli	263	+7
Sandoz (Br)	10,100	+25
Do. (PtCts)	1,590	
Schindler (Br)	5,075	+25
Do. (PtCts)	735	−10
Sika	780	
Surveillance	4,790	−85
Swissair	1,050	
Swiss Bank	351	−4
Do. Ptg.	291	−3
Swiss Reinsce	9,750	−150
Do. Ptg.	1,525	−15
Swiss Volksbk	1,740	−10
Union Bank	3,130	−30
Do. Ptg.	114	
Winterthur	4,180	−170
Do. Ptg.	679	−9
Zurich Ins	4,450	−75
Do. Ptg.	1,710	−15

SOUTH AFRICA

December 13	Rand	+ or −
Abercom	4.6	−0.3
AECI	13.75	—
Allied Tech	90	—
Anglo Am Coal	44.25	−1
Anglo Am Corp	63.5	
Anglo Am Gold	259.5	−4.5
Barlow Rand	25.65	+0.05
Buffels	51	—
CNA Gallo	6.5	
Currie Finance	3	−0.25
De Beers	41.65	−0.45
Deelkraal Gold	9.55	+0.05
Driefontein	33.75	−0.25
East Rand Gold	12.5	−0.25
Elandsrand Gold	17.25	−0.25
First Nat. Bank	15.5	+0.25
Free State Cons Gold	28.75	−0.25
Gold Fields SA	99.5	−1
Hartebeest	25.15	
Highveld Steel	8.1	−0.1
Kinross Gold	39	
Kloof Gold	32.5	−0.75
Libanon Gold	7	−0.1
Malcor Hldgs	19.75	—
Nedbank	7	—
OK Bazaars	12.1	
Palabora Mining	50	+1
Rembrandt	7.5	−0.1
Rust Plat	49.5	−0.85
Safmarine & Ren.	21.25	+0.1
Sage Holdings	12	
Smith (CG) Fds	19.5	
SA Brewers	19.5	−0.15
SA Mang. Amcor	17	+0.25
Tiger Oats	145	
Tongaat Hulett	12.8	
Vaal Reefs	262.75	−5.25
Western Deep	108.5	−1.5

JAPAN

December 13	Yen	+ or −
Ajinomoto	2,890	—
Akebono Brake	810	−20
All Nippon Air	1,740	—
Alps Electric	1,580	−20
Amada	1,220	+10
Amano	1,450	+10
Ando Construct.	825	
Anritsu	1,980	−20
Aoki Corp.	1,060	
Arabian Oil	5,890	+60
Asahi Breweries	1,830	
Asahi Chemicals	1,050	−20
Asahi Glass	1,920	−20
Asahi Optical	880	
Asics Corp.	740	−10
Atsugi Nylon	1,120	−20
Bank Tokyo	1,610	−20
Banyu Pharm	1,400	+10
Bridgestone	1,350	−10
Brother Inds	805	+5
CSK Corp.	4,970	
Calpis Food	1,290	−10
Calsonic Corp.	797	
Canon	1,360	−30
Canon Sales	2,840	−70
Casio Computer	1,290	
Central Finance	685	−10
Central Glass	764	−3
Chiba Bank	1,290	−20
Chiyoda Chem	900	
Chiyoda Fire	1,050	−20
Chubu Elect Pwr	3,960	−30
Chugai Pharm	1,500	−30
Chugoku El Power	3,380	−20
Citizen Watch	915	+2
Daicel Chemical	819	+2
Daiichi Seiyaku	2,900	+10
Daido Steel	778	−2
Daiei	2,130	
Daifuku	1,000	−30
Dai Ichi Kan Bank	3,190	
Daikin Inds	990	−5
Daikyo Kanko	2,640	+10
Daimaru	1,120	—
Dai Nippon Ink	915	
Dai Nippon Phar	2,230	−20
Dai Nippon Ptg	2,600	−30
Dai Nippon Toryo	980	−20
Daishowa Paper	2,350	−10
Dai Tokyo F&M	1,340	+20
Daiwa Bank	1,490	−10
Daiwa House	1,940	−10
Daiwa Sec	2,310	+10
Denny's	3,130	+20
Diesel Kiki	806	−4
Dowa Fire & Mar	995	−15
Dowa Mining	815	−16
Ebara	1,020	−30
Eisai	2,030	−40
Ezaki Glico	1,200	+20
Fanuc	5,630	−40
Fudo Construct	845	−5
Fuji Bank	3,470	−10
Fuji Electric	825	−13
Fuji Film	3,370	−10
Fuji Fire & Mar	1,000	−40
Fuji Heavy Ind	835	−2
Fujikura	1,230	+10
Fujisawa	1,730	
Fujitec	622	−4
Fuji Spinning	2,300	+70
Fujita Tourist	1,520	+30
Fujitsu	905	−10
Furukawa Elect	1,800	+40
Gakken	1,600	
Gen Sekiyu	1,430	−20
Godo Shusei	1,560	−40
Green Cross	850	+9
Gun-Ei Chem	1,040	−10
Gunze	932	−3
Hankyu Corp.	711	
Hanshin El Rail	1,120	−20
Hasegawa Kom	1,970	+10
Hattori Seiko	905	+1
Hazama-Gumi	1,720	−10
Heiwa Real Est.	959	−10
Hino Motors	4,000	+20
Hirose Electric	1,000	+1
Hitachi	1,560	
Hitachi Cable	1,020	−10
Hitachi Credit	1,460	+10
Hitachi Koki	1,240	+20
Hitachi Maxell	2,210	+10
Hitachi Metals	1,150	+10
Hitachi Sales	740	+5
Hitachi Zosen	634	+7
Hokkaido Elect.	3,400	
Hokkaido Takush	985	−6
Hokuriku El Pwr	3,460	−20
Honda	1,890	
Honshu Paper	1,100	−20
House Food Ind	1,970	—
Hoya	2,080	—
Ihara Chemical	967	−1
Ikegami Tsush	1,530	+10
Inax	1,480	—
Ind Bank Japan	3,950	—
Iseki & Co.	861	
Isetan	2,180	−70
Ishihara Sangyo	705	−7
Ishikawajima Ha	1,130	+20
Isuzu Motors	960	+35
Itoh (C)	954	+3
Itoham Foods	1,320	
Iwatani & Co.	1,090	−10
Ito Yokado	4,340	
Iwasaki Electric	1,000	−10
Izumiya	2,160	−20
JGC Corp.	1,030	−10
JEOL	1,070	−30
Janome Sew Mach	3,800	
JAL	14,600	−200
Japan Metals	780	−1
Japan Radio	1,520	−10
Japan Steel Wks	726	+7
Jap S Battery	1,130	−10
Japan Synth Rbr	1,120	+10
Japan Wool	1,880	−40
Jujo Paper	1,190	+20
Jusco	1,830	—
Kagome	1,560	−40
Kajima	1,700	−20
Kaken Pharm	1,800	−10
Kandenko	3,700	−20
Kanebo	690	
Kanegafuchi Chm	917	+2
Kanematsu-Gosho	660	−10
Kansai Elect. Power	4,130	−70
Kansai Paint	735	−1
Kao Corp	1,730	−20
Kashiyama	1,780	−50
Kawasaki Heavy	930	−5
Kawasaki Kisen	591	−28
Kawasaki Steel	1,070	+20
Keihin Elec Exp	1,890	—
Keio Teito Elec	1,190	−30
Kikkoman	1,150	+10
Kinki Elec Cons	2,700	+50
Kinki Nippon Ry	1,290	−10
Kirin Brewery	1,980	−20
Kobe Steel	759	+20
Koito Mfg	3,080	−20
Kokusai Electric	2,748	+30
Kokuyo	3,040	−30
Komatsu	901	−9
Konica	960	−5
Korakuen	4,110	
Koyo Seiko	1,150	+20
Kubota	881	−9
Kumagai-Gumi	1,090	−10
Kumiai Chemical	900	−19
Kurabo Inds.	712	−17
Kuraray	1,220	−20
Kureha Chemical	1,040	
Kurita Water	945	+8
Kurosaki Refrac	1,040	
Kyodo Shiryo	740	−31
Kyokuyo	1,820	−20
Kyoto Ceramic	5,050	−10
Kyowa Bank	1,290	
Kyowa Hakko	1,520	+20
Kyushu Electric	3,360	−20
Lion	1,020	+10
Long Term Cred.	19,800	+200
Maeda Construct	1,260	−30
Makino Milling	912	+9
Makita Elect Wk	1,480	−10
Marubeni	818	−7
Marudai Food	1,180	+10
Marui	2,980	+30
Maruichi Steel	1,560	+10
MEI	2,360	—
Matsu Elect. Wks.	1,780	−30
Matsushita Koto	1,900	+30
Matsushita Refrig	1,470	—
Mazda Motors	753	−10
Meiji Milk	884	−6
Meiji Seika	965	+1
Mikuni Coca Cola	1,770	−30
Minebea	1,070	+10
Minolta Camera	727	−3
Misawa Homes	1,850	—
M'bishi Bank	3,360	−20
M'bishi Belting	1,270	−10
M'bishi Chem	1,030	
M'bishi Corp	1,340	−20
M'bishi Elec	1,020	−20
M'bishi Estate	2,650	—
M'bishi Gas Chem	750	+20
MHI	1,030	+1
M'bishi Metal	933	
M'bishi Min Cmt.	863	
M'bishi Oil	1,350	+30
M'bishi Paper	1,190	+10
M'bishi Petchem	1,450	+50
M'bishi Plastics	780	−17
M'bishi Rayon	670	
M'bishi Steel	3,190	+160
M'bishi Tst	3,200	−30
M'bishi Warehse.	1,800	−30
Mitsui Bank	2,270	−20
Mitsui Co.	949	−4
Mitsui Eng Ship	772	+27
Mitsui Mng & Sm	778	+3
Mitsui Osk Line	780	−9
Mitsui Petchem	1,360	+30
Mitsui Real Estate	3,020	+60
Mitsui Toatsu	836	+6
Mitsui Tst & Bkg	2,020	−10
Mitsui Warehse	1,070	−20
Mitsukoshi	2,050	
Mitsumi Elect	1,030	−10
Miyaji Iron Wks	795	+32
Mizuno Sporting	1,420	−30
Mochida Pharm	3,950	
Morinaga Milk	808	−11
Mori Seiki	2,350	—
Murata Mfg	2,500	
NEC	1,970	−20
NGK Insulators	1,090	
NGK Spark Plug	1,210	
NHK Spring	826	−19
NKK Corp.	973	+18
NOK Corp.	880	−5
NTN Toyo Brg	805	
Nachi Fujikoshi	936	−20
Nagasakiya	4,200	−570
Nagase	1,200	−20
Nagoya Railroad	1,020	−10
National House	1,500	+20
Nichii	2,460	−60
Nichirei	1,170	+30
Nihon Cement	992	+3
Nihon Nosan	711	
Nihon Parkeriz.	1,030	+30
Niigata Eng	705	+10
Nikko Sec	1,750	−10
Nikon Corp.	1,170	−10
Nippon Cred Bnk	12,000	+100
Nippon Denko	945	+50
Nippon Denso	1,970	+20
Nippon Elect Gl	2,050	
Nippon Express	1,510	+30
Nippon Fire	1,070	−40
Nippon Flour	835	−3
Nippon Gakki	1,880	−30
Nippon Hodo	2,950	−40
Nippon Kayaku	1,130	−20
Nippon Lt Metal	815	−4
Nippon Meat Pack	1,900	−20
Nippon Mining	803	−8
Nippon Oil	1,470	−20
Nippon Paint	891	+35
Nippon Road	1,140	−10
Nippon Sanso	762	−13
Nippon Seiko	826	−9
Nippon Sharyo	1,090	−40
Nippon Sh Glass	899	−8
Nippon Shinpan	1,200	
Nippon Shinyaku	1,460	−40
Nippon Soda	686	−16
Nippon Stainless	920	+20
Nippon Steel	988	+20
Nippon Suisan	854	
Nippon TV	22,000	
Nippon Yakin	1,290	+60
Nippon Yusen	898	−12
Nippon Zeon	945	
Nishimatsu Cons	805	−5
Nissan Diesel	808	+3
Nissan Motor	1,230	−20
Nissei Sangyo	1,700	+40
Nisshin Flour	1,470	
Nisshin Oil	1,010	−20
Nisshinbo Inds.	1,370	
Nissho Iwai	800	−10
Nissin Electric	915	+11
Nissin Food	2,900	−10
Nitsuko	1,220	
Nitto Boseki	715	−10
Nitto Elect Ind	1,890	+20
Nomura	3,610	−30
Noritake	1,160	−40
Odakyu Elec Rly	1,310	−10
Ohbayashi-Gumi	1,040	−10
Oji Paper	1,660	−10
Oki Electric	985	−10
Okuma Mach	1,070	−30
Okumura-Gumi	1,060	—
Olympus	1,070	—
Omron Tateisi	2,290	−20
Onoda Cement	955	−12
Ono Pharm	5,130	
Orient Finance	1,290	−10
Orient Leasing	3,350	+10
Osaka Gas	812	+10
Penta Ocean Con	975	−7
Pioneer	3,280	+20
Prima Meat Pack	795	−5
Renown	920	−10
Ricoh	1,160	+10
Royal Co	2,420	—
Saitama Bank	1,600	
Sanden	892	−1
Sankyo	2,130	−30
Sanraku	1,340	−10
Sanrio	4,160	+38
Sanwa Bank	2,870	−30
Sanwa Shutter	1,260	+30
Sanyo Elect	745	−5
Sanyo Kokusaku	1,030	−10
Sapporo	1,730	−40
Secom	5,630	+10
Seibu Railway	4,590	−10
Seino Transport	2,050	
Seiyu	2,050	—
Sekisui Chem	1,230	+30
Sekisui House	1,900	+20
Settsu	1,050	
Seven-Eleven	6,930	+10
Sharp	1,070	
Shikoku El Pwr	3,270	−30
Shimizu Construct.	1,270	−10
Shin-Etsu Chem	1,570	
Shionogi	1,650	−30
Shiseido	1,610	
Shochiku	3,180	+100
Shokusan Jutaku	868	+1
Showa Aluminium	983	−6
Showa Denko	907	−8
Showa Elec Wire	950	
Showa Sangyo	790	+6
Showa Shell Sek	1,680	
Skylark	2,810	+60
Snow Brand Milk	1,190	
Sony	6,840	+110
Stanley Electric	996	+10
Sumitomo B'lite	860	—
Sumitomo Bank	3,720	
Sumitomo Cement	719	−9
Sumitomo Chem	952	−3
Sumitomo Corp	1,250	+10
Sumitomo Elect	1,390	+10
Sumitomo Heavy	955	−2
Sumitomo Light M	728	−2
Sumitomo Marine	1,330	+10
Sumitomo Met In	782	+21
Sumitomo Met Mng	1,460	−30
Sumitomo Realty	1,570	−18
Sumitomo Tr & Bk	3,020	−10
Sumitomo W'hse.	1,080	+10
Suzuki Motor	719	−6
TDK	4,680	+80
Taisei Corp	1,100	−10
Taisho Marine	1,350	+10
Taisho Pharm	1,920	−10
Taiyo Fishery	773	+4
Taiyo Kobe Bank	1,380	−10
Takaoka Elect.	951	−17
Takara Shuzo	849	+1
Takashimaya	2,780	+10
Takeda	2,680	−10
Tanabe Seiyaku	1,890	−30
Teijin	790	−2
Teikoku Oil	863	+1
Tekken Constr.	970	−11
Toa Harbour Wks	985	−5
Toa Nenryo Kyo	1,900	+20
Tobishima	1,150	−10
Tobu Railway	1,440	+30
Toei Co.	990	+11
Toho	26,000	+400
Tohoku Electric	3,990	−10
Tokai Bank	2,290	−10
Tokai Carbon	935	−40
Tokico	929	−7
Tokio Marine	2,200	−20
Tokuyama Soda	834	−2
Tokyo B'casting	2,730	+10
Tokyo Electric Pwr	6,640	−50
Tokyo Electron	2,460	−40
Tokyo Gas	1,330	+10
Tokyo Rope	2,560	
Tokyo Steel	3,240	+90
Tokyo Style	1,750	
Tokyu Car	1,100	−10
Tokyu Corp	1,750	+20
Tokyu Land	1,180	+20
Toppan Print.	1,920	−20
Toray	873	−8
Toshiba Elect.	1,010	+10
Toshiba Eng Con	1,140	+70
Toshiba Machinery	721	−5
Tostem	810	−10
Toto	2,020	−10
Toyo Construct.	799	
Toyo Aut Loom	1,560	−20
Toyo Ink	908	−2
Toyo Jozo	1,350	+40
Toyo Kanetsu	884	+54
Toyo Rubber	770	+14
Toyo Seikan	2,450	+10
Toyo Soda	722	+2
Toyota Motor	2,490	+20
Tsubakimoto Chn	755	+5
Tsugami	726	−14
UBE Inds	720	+18
Unitika	604	—
Victor	2,010	+10
Wacoal	1,140	—
Yamaha Motor	1,250	−10
Yamaichi Sec	1,790	−30
Yamanouchi	4,160	−30
Yamatake H'ywell	1,840	
Yamato Kogyo	1,330	−30
Yamato Trans	1,500	−20
Yamazaki Baking	1,430	−20
Yasuda Fire	1,270	−10
Yaskawa Elect.	731	−3
Yokogawa Elect.	1,390	−20
Yokohama Bank	1,480	−20
Yokohama Rubber	945	
Yomiuri Land	2,100	−40
Yoshitomi Pharm	1,330	−30
Yuasa Battery	805	−20

AUSTRALIA

December 13	Aust$	+ or −
AWA	2.40	—
Aberfoyle	5.10	+0.1
Adelaide Steams	5.48	+0.02
Amatil	8.70	
Amcor	4.54	−0.04
Ariadne Aust	0.15	
Arnotts	5.80	+0.1
Ashton	1.16	−0.02
ANZ Group	5.44	+0.02
Aust. Gas Light	2.15	+0.01
Aust. Nat Inds	1.60	−0.04
BHP	6.86	−0.1
BHP Gold	0.60	
BTR Nylex	8.60	−0.04
Bell Group	1.60	+0.05
Bell Resources	1.56	
Bond Corp Hldgs	1.68	−0.04
Boral	3.58	−0.02
B'ville Copper	2.80	−0.06
Brambles Inds	10.60	−0.1
Bridge Oil	0.91	−0.01
Bundaberg Sugar	2.60	
Burns Philp	2.70	+0.06
CRA	7.52	−0.12
CSR	4.31	−0.07
Caltex Aust.	2.10	−0.2
Central Norseman	0.78	−0.02
Chase Corp	0.74	−0.01
Claremont Petro	0.38	−0.01
Coal Allied Ind	4.65	
Coles Myer	8.44	−0.02
Comalco "A"	4.05	+0.05
C'wealth Ind Gas	5.00	—
Consolidated Pet	0.14	
Duke Group	0.17	+0.01
Elders IXL	2.71	−0.03
Energy Res	3.17	+0.02
FAI Insurances	2.58	−0.52
Gen Prop Trust	2.75	+0.02
Giant Res.	0.64	+0.01
Goodman Fielder	1.96	—
Hardie (J)	2.66	—
Hartogen Energy	1.22	−0.06
ICI Aust	6.76	−0.08
Industrial Equity	1.40	−0.01
Jennings Inds	2.00	
Jones (David)	7.06	−0.04
Kidston Gold	2.70	+0.05
Lend Lease	10.20	—
MIM	1.72	−0.04
McPherson	1.22	−0.02
Mayne Nickless	5.90	
Nat.Aust. Bank	6.64	+0.02
Nat Consolidated	2.60	−0.05
Newmont Aust.	1.12	−0.01
News	9.30	−0.2
Noranda Pacific	0.60	−0.02
North Bkn Hill	2.61	—
North Kalgurli	0.23	—
Northern Star	1.25	
Oakbridge	0.28	−0.05
OPSM	2.50	
Pacific Dunlop	4.40	−0.04
Pancont'l	1.80	−0.02
Petersville SL	2.40	
Pioneer Conc	2.35	−0.05
Placer Pacific	2.09	+0.02
Poseidon	2.24	+0.07
Renison Goldfds	4.50	−0.02
Rothmans Aust.	9.60	+0.1
SA Brewing	2.38	
Santos	3.26	−0.08
Smith (H.)	3.45	−0.25
Sons of Gwalia	5.30	
Thos Nationwide	3.75	−0.04
Tooth	7.20	—
Tubemakers Aust	2.35	—
Vamgas	2.40	—
Western Mining	4.80	−0.08
Westfield Hldg	3.00	
Weston (G)	4.80	−0.1
Westpac	5.52	−0.12
Woodside Petrol	1.85	—
Woolworths	3.62	
Wormald Intl	1.65	−0.1

HONG KONG

December 13	H.K.$	+ or −
Amoy Props.	2.85	
Bank East Asia	18.80	−0.1
Cathy Pacific	9.35	−0.05
Cheung Kong	8.05	−0.05
China Light	13.70	−0.2
China Motor	23.80	—
Cross H'bour Tnl	16.00	—
Dao Heng Hldgs	1.22	—
Evergo	2.27	—
Hang Lung	5.25	—
Hang Seng Bank	28.30	−0.4
Harbour Centre	8.80	−0.2
Henderson Inv.	1.68	−0.01
Henderson Land	5.30	
HK Aircraft	15.00	−0.1
HK China	17.00	−0.2
HK Electric	7.05	
HK Land	8.90	−0.05
HK Realty & Tr A	5.00	−0.05
HK Shanghai Bank	6.25	−0.05
HK Shanghai Hotels	5.60	−0.05
HK Telecomms.	4.95	+0.03
HK TV-B	1.24	+0.02
Hopewell Hldgs	3.12	−0.03
Hutchison Wpa	8.55	−0.05
Hysan Dev	1.23	
Indust Equity P	9.65	−0.15
Jardine Math	14.40	−0.1
Jardine Strtgic	9.45	+0.15
Johnson Elect.	6.25	—
Kowloon Motor	8.65	
Mandarin Orient	4.35	+0.03
Nan Fung Text.	9.70	−0.1
New World Dev	12.80	−0.2
Realty Dev A	7.50	+0.05
SHK Props	12.00	−0.2
Shaw Bros.	4.85	+0.1
Shell Elec. Mfg	1.10	−0.01
Sime Darby	2.25	
Sun Hung Kai	1.99	−0.01
Swire Pac A	18.90	−0.1
Do. B	3.17	
Wharf Hldgs	8.45	−0.05
Wing On Co	4.70	−0.02
Winsor Ind	8.60	−0.1
World Intl Hldgs	4.00	—
Zung Fu	2.95	—

SINGAPORE

December 13	S$	+ or −
Boustead Hldgs	1.35	+0.06
Cerebos Pacific	5.50	+0.15
Cold Storage	4.80	—
DBS	7.00	
Fraser & Neave	6.30	−0.2
Genting	5.20	−0.05
Haw Par Bros	2.82	−0.02
Hong Leong Fin	2.41	+0.02
Inchcape Bhd	4.74	
Keppel Corp.	2.73	−0.45
Malayan Banking	4.44	−0.04
Malayan Utd Ind	1.74	−0.04
Multi Purpose	0.59	−0.05
OCBC	7.50	
OUB	3.20	−0.02
Public Bank	1.11	
Sime Darby	3.02	+0.02
S'pore Air Free	13.70	—
Singapore Press	7.25	—
Straits Trading	3.06	—
Tat Lee Bank	2.81	+0.01
UOB	4.80	—

NOTES – Prices on this page are as quoted on the individual exchanges and are last traded prices. (u) unavailable. ¶ Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CANADA

TORONTO
2pm prices December 13

Quotations in cents unless marked $.

Sales	Stock	High	Low	Close	Chng
38770	AMCA Int	405	400	400	
3284	Abitibi Pr	$19⅛	19	19	−⅛
2200	Acklands	$14½	14¼	14¼	−¼
5300	Agnico E	$12¼	12⅛	12¼	
19800	Albrta En	$15⅜	15⅛	15⅜	+⅛
1041	Albrta N	$14⅝	14½	14⅝	+⅛
152151	Alcan	$37	36⅞	36⅞	−¼
211000	A Barrick	$19⅝	19¼	19¼	−⅛
25800	Alco I I	$8⅛	8	8	
134475	BCE Inc	$37⅝	37½	37½	−⅛
27784	BCE D	305	285	295	−5
1000	BCE Mobl	$19⅝	19⅝	19⅝	
800	BC Sugar A	$31¼	31¼	31¼	−¼
18300	BGR A	$9⅞	9⅞	9⅞	−⅛
2252	BP Canada	$16⅞	16½	16½	+½
118665	Bk Mont	$27½	27¼	27½	+⅛
140110	Bk NScot	$14⅝	14½	14½	−⅛
18300	Baton	$14	13⅞	14	
3920	Belmoral	149	148	148	−6
6200	Bombdr A	$12½	12¼	12¼	
6800	Bombdr B	$12⅝	12½	12½	+⅛
107782	Bow Valy	$13⅛	12⅞	13⅛	+⅛
200	Bramalea	$25⅝	25⅝	25⅝	+⅛
18850	Brascan A	$25⅝	25¼	25¼	−¼
56660	Britwater	415	390	395	−15
5349	BC Phone	$28¼	28⅛	28⅛	
1824	Bruncor	$17	16⅞	16⅞	
1800	Brunswk	$11	10⅞	10⅞	+⅛
128600	CAE	$9¼	9	9⅛	+⅛
6000	CB Pak	$20⅛	20⅛	20⅛	−⅛
1100	CCL B f	$10⅝	10⅝	10⅝	
11000	CFCF	$20⅛	20⅛	20⅛	+⅛
7800	Cambior	$13	13	13	
378552	Cambridg	$28⅞	28⅝	28⅝	+⅛
20500	Camp Res	84	82	83	−2
53600	Camp Soup	$18⅝	18½	18½	−⅛
21925	Campeau f	$18⅝	18½	18½	−⅛
31560	C Nor West	$7⅝	6½	7⅛	+⅝
505	C Packrs	$14⅛	14⅛	14⅛	+⅛
50	CS Pete f	$8	8	8	
83300	C Exprss f	87	82	87	+4
100	CG Invest	$39	39	39	
232036	CI Bk Com	$25⅛	24⅞	25⅛	−⅛
300	C Occidntl	$15⅛	15⅛	15⅛	
9300	CP Forest	$40½	40	40½	+⅜
334767	CP Ltd	$20⅛	20⅛	20⅛	−⅛
74674	CTire A f	$16½	16⅛	16½	+⅛
20488	CUtil A f	$19⅝	19⅝	19⅝	+⅛
400	CUtil B	$19½	19½	19½	+⅛
3200	Canamax o	490	475	490	+15
400	CanamA f	$6⅜	6¼	6⅜	+⅛
6450	Cantor	$24⅞	24¼	24½	−½
5000	Cascon A	$11¼	11½	11½	
6000	Cara	$15	15	15	
100	Cara A f	$14¼	14¼	14¼	
100	Carena	$31⅜	31⅜	31⅜	
11000	Cascades	$5⅛	5⅛	5⅛	
2388	Celanese	$29⅛	28⅞	28⅞	
1325	Cen Capital	$11½	11½	11½	
10675	CenCap A	$9	8⅞	8⅞	−⅛
6300	CenFd A	$5⅞	5¾	5⅞	+⅛
13511	C Guar Tro	$19⅞	19⅞	19⅞	
6900	Chieftn	200	190	200	
16150	Cineplex	$13⅞	13½	13½	−⅛
100	Co Steel f	$18⅛	18⅛	18⅛	
39902	Cominco	$23⅝	23¼	23¼	−¼
3200	Computing	$5⅝	5⅝	5⅝	
24075	Connaught	$29⅛	28⅞	28⅞	−⅜
3127	Con Bath A	$14¼	14¼	14¼	−¼
198	C HCl A f	$8⅝	8½	8½	+⅛
78050	Con TVX	$5½	5½	5½	+⅛
2500	Cnsum Gas	$24⅛	24	24	−⅛
2500	Cnsum Pkg	$21	20⅞	20⅞	−⅛
300	Conwst B	$9⅞	9⅞	9⅞	−⅛
4377	Corby A	$19	18⅞	18⅞	
184429	Corona A f	$7⅝	7½	7½	
800	Crownx	$12	12	12	
22416	Crownx A f	$5⅝	5½	5½	
10850	Denison A	455	455	455	
103453	Denison B f	440	440	440	
7350	Derlen	$11⅛	11⅛	11⅛	
2200	Dickson A f	$5⅝	5⅝	5⅝	−⅛
127844	Dofasco	$26⅛	26	26	
1081	D Textile	$14⅞	14⅜	14⅜	−⅛
6899	Domtar	$14	13⅞	14	
12400	Donohue	$13⅛	13⅛	13⅛	−⅛
300	Dumagami o	$11⅛	11⅛	11⅛	−⅛
412	Du Pont A	$24⅛	24⅛	24⅛	
28720	Dylex A	$9⅞	8⅞	8⅞	
48140	Echo Bay	$17¼	17⅛	17⅛	−⅛
5100	EmpireA f	$13	13	13	
6100	Enfield	$5⅞	5⅞	5⅞	
69400	EquitySv A	430	420	425	−10
4300	FCA Intl	$9⅞	8⅞	8⅞	
16200	FPI Ltd	$10⅛	10	10⅛	
140888	Fcnbrdg	$24⅜	24⅛	24⅛	−⅜
7600	Fed Ind A	$15⅝	15⅝	15⅝	
14200	Fin Traco	85	82	83	+3
3500	Finning L	$21½	21¼	21½	+¼
800	FCity Fin	$21⅛	21⅛	21⅛	−⅛
60	Ford Cnda	$132¼	132¼	132¼	
2100	Fortis	$20	19⅞	19⅞	
350	FourSeasn f	$22½	22½	22½	+⅛
2800	Franco o	$7	6⅞	7	+⅛
986	GW Util	$23⅛	23⅛	23⅛	−⅛
23200	Galactic	480	475	480	
10500	Gandalf	$5⅞	5⅝	5⅞	
380	Gendis A	$17⅛	17⅛	17⅛	+⅛
5100	GE Can	$18⅛	18⅛	18⅛	−⅛
7600	Glamis	280	275	275	
5450	Goldcorp f	$6⅛	6⅛	6⅛	
3800	Gld Knight	$8⅞	8⅛	8⅛	
30000	Grafton A f	$9	8⅞	9	
16883	Granges	315	300	315	−5
9500	GL Group	$17	17	17	
7300	GrW Lifeco	$11⅞	11⅝	11⅝	+⅛
88458	Gulf Res	$14⅛	14	14⅛	+⅛
900	Haley	$6⅞	6⅝	6⅞	
2800	Harris A	$7⅞	7⅞	7⅞	−⅛
2104	Hayes D	$12⅝	12⅝	12⅝	
83100	Hees Intl	$24⅞	24½	24½	+⅛
82000	Hemlo	$11⅛	10⅞	11⅛	+⅛
700	Hollingr	$13⅛	13⅛	13⅛	
9800	Horsham f	$6⅛	6⅛	6⅛	−⅛
439	H BayMn s	$8⅛	8⅛	8⅛	−⅛
10985	H Bay Co	$21⅝	21½	21⅝	+⅛
52142	Imasco L	$27⅝	27½	27⅝	−⅛
46110	Imp Oil A	$47⅝	47½	47⅝	−⅛
257850	Inco	$39⅛	39	39	−⅛
1950	Inland Gas	$12½	12¼	12½	+⅛
12400	Innopac	$11¼	11⅛	11¼	+⅛
14095	Inter City	$21⅝	21⅝	21⅝	+⅛
6750	Interhome	$42⅝	42½	42⅝	+⅛
56825	Int Thom	$15	14⅞	15	
1000	Inv Grp	$14⅝	14⅝	14⅝	+⅛
35836	Ipsco	$17¼	17⅛	17⅛	
54000	Ivaco A f	$11⅞	11⅞	11⅞	
7536	Jannock	$18⅞	18⅝	18⅞	
105	Kerr Add	$20½	20½	20½	−⅛
28921	Labatt	$21	20⅞	20⅞	−⅛
56816	Lac Mnrls	$12¼	12	12¼	+⅛
102	Lafarge p	$21	21	21	
35426	Laidlaw A	$18⅝	18½	18½	
334169	Laidlw B f	$17⅞	17	17⅛	+⅛
1200	Lauer Gr B	$7⅝	7	7⅝	
500	LawsnM A	$12⅛	12⅛	12⅛	−⅛
22460	Loblaw Co	$10¼	10⅛	10¼	−⅛
6790	Lonvest	$17⅞	17⅞	17⅞	+⅛
1700	Lumonics	460	455	460	+5
2700	MDS B	$21⅛	21⅛	21⅛	−⅛
246661	Mac Kenzie	480	475	480	+5
240128	Mclan H X	$12⅞	12⅝	12⅞	
54933	Macmillan	$16⅝	16⅝	16⅝	
4400	Magna A f	$12⅛	12	12	−⅛
2212	Maritime f	$16	15⅞	16	
150	Mark Res	$8	8	8	
7100	Memotec	$10⅛	10⅛	10⅛	+⅛
83900	Metall M	$11⅛	11	11	−⅛
47600	Midnd Dy	$8⅛	8⅛	8⅛	
1056	Minnova	$20⅝	20⅝	20⅝	
9000	Mitel Corp	280	275	280	
4684	Molson A f	$27⅞	27	27⅞	+⅛
840	Molson B	$27⅞	27⅞	27⅞	
300	M Trusco	$16⅛	16⅛	16⅛	
43959	Moore	$29⅛	28⅝	28⅞	+⅛
17800	Muscocho	415	410	410	+5
68036	Nat Bk Can	$11⅞	11⅝	11⅝	
41600	N Business	115	101	101	−12
3258	NewTel Ent	$16⅛	16⅛	16⅛	+⅛
11000	Noma A	$16⅛	16	16⅛	+⅛
5100	Noranda F	$13⅝	13½	13⅝	+⅛
93923	Noranda	$22⅞	22⅝	22⅝	−⅛
4128	Norcen	$18	17⅞	17⅞	
1718	Norca A f	$15½	15⅛	15⅛	
5550	NC Oils	$18⅛	18	18⅛	+⅛
89021	Nor Tel	$19	18⅞	19	+⅛
1583	Northgat	$6⅛	6⅛	6⅛	
713878	Nova f	$11⅛	10⅞	11	
1000	Noverco	$10⅛	10⅛	10⅛	−⅛
10100	Nowsco W	$13⅛	13⅛	13⅛	
6000	Numac	$8⅞	8⅞	8⅞	+⅛
44400	Ocelot B f	$8⅞	8⅛	8⅛	−⅛
1390	Omega Hyd	280	280	280	
12300	Onex f	$12⅛	12	12⅛	+⅛
7410	Oshawa A f	$22⅛	22⅛	22⅛	
25150	PWA Corp	$14⅞	14⅝	14⅞	+⅛
19110	Pgurin A f	$8⅛	7⅞	8	+⅛
5100	Pamour	$7	7	7	
1600	PanCan P	$24½	24½	24½	+⅛
36400	Pegasus	$14⅞	14⅝	14⅝	
1850	PJewl A f	$17	16⅝	16⅝	−⅛
113894	Pioneer M	310	290	290	−20
177840	Placer Dm	$16	15⅞	16	+⅛
34200	Poco Pet	$7⅜	7⅛	7⅛	
27805	Powr Cor f	$12⅝	12⅜	12½	
2050	Powr Fin	$14⅞	14⅝	14⅝	−⅛
32876	Provigo	$10⅞	10⅝	10⅞	+⅛
300	Quebcor A	$20	20	20	−⅛
74800	Ranger	$6	5⅞	6	
451	Rayrock f	$8½	8½	8½	
14350	Redpath	$13	12⅞	13	+⅛
300	Rd Stenhs B	$28½	28½	28½	+⅛
300	Reitman A f	$15⅞	15⅞	15⅞	
62570	Renaissance	$12	11⅞	11⅞	+⅛
1300	Repap f	$10⅞	10⅝	10⅝	−⅛
33931	Rio Algom	$22⅛	22	22⅛	+⅛
8175	Rogers B f	$57½	56½	56½	−⅝
2000	Roman	$10⅞	10⅞	10⅞	+⅛
102979	Royal Bnk	$38⅞	38½	38⅝	−⅛
23987	RyTrco A	$15⅞	15⅝	15⅝	
14400	SHL Syst	$11⅛	11⅛	11⅛	−⅛
1600	SNC A f	495	495	495	
1600	StL CemA f	$12⅝	12⅝	12⅝	−⅛
9600	Saskoil	$8½	8⅛	8⅛	
16730	Sceptre	330	320	325	+5
3000	Schneider A	$24⅛	24½	24½	−¼
3380	Scot Paper	$17	16½	17	+½
1100	Scotts f	$13½	13⅛	13⅛	+⅛
56800	Seagram	$71⅝	71⅝	71⅝	−⅛
37805	Sears Can	$13½	13	13½	+⅛
4049	Selkirk A f	$49½	49½	49½	
14800	Shell Can	$39⅛	38⅞	39⅛	+⅛
37478	Sherritt	$10⅞	10⅝	10⅞	+⅛
200	Sico	$11⅛	11⅛	11⅛	−⅛
22100	Southam	$28⅛	28⅛	28⅛	
10800	Spar Aero f	$16⅞	16⅝	16⅝	−⅛
350	Steinbg A f	$34⅛	34⅛	34⅛	
120168	Stelco A	$21	20⅞	21	+⅛
7450	TCC Bev	$7⅞	7¾	7⅞	
38730	Teck B f	$16⅞	16⅝	16⅞	+⅛
400	Tembec A	$7⅞	7⅞	7⅞	
14916	Terra Mn	42	40	40	−2
59295	Texaco Can	$41⅞	41⅝	41⅞	+⅛
196550	Thom N A	$27⅝	27⅛	27⅛	+⅛
86592	Tor Dm Bk	$36⅛	35⅞	36⅛	
1060	Tor Sun	$22½	22½	22½	
33750	Torstar B f	$30	29⅞	29⅞	−⅛
6000	Total Pet	$23⅞	23⅝	23⅝	+⅛
127954	TrnAlta U	$13⅞	13⅝	13⅞	+⅛
128895	TrCan PL	$14⅛	14	14⅛	+⅛
21446	Trilon A	$18⅛	17⅞	17⅞	−⅛
3090	Trimac	380	380	380	
1600	Trizec A f	$30⅛	30⅛	30⅛	
20	Trizec B	$32⅞	32⅞	32⅞	
20	Unicorp A	$8	8	8	
400	UnigescoB f	380	380	380	
800	Un Carbid	$24⅛	24⅛	24⅛	
218	U Entprise	$10	10	10	
211200	Varity C	340	330	335	
15700	Viceroy R	495	495	495	−5
13400	WIC B f	$13	13	13	
1200	Wrdair A f	$8½	8⅛	8⅛	−⅛
300	Wst Fraser	$17½	17⅛	17½	−½
800	Wcoast E	$15⅞	15⅝	15⅝	
1151	Westmin	$9⅛	9⅛	9⅛	
1200	Weston	$35⅛	35⅛	35⅛	+⅛
14676	Woodwd A	470	450	450	−30
1800	Xerox Can	$17½	17½	17½	−⅛

f—No voting rights or restricted voting rights.

INDICES

NEW YORK — DOW JONES

	Dec 12	Dec 9	Dec 8	Dec 7	1988 High	1988 Low	Since compilation High	Since compilation Low
ϕIndustrials	2139.58	2143.49	2141.71	2153.63	2183.50 (21/10)	1879.14 (20/1)	2722.42 (25/8/87)	41.22 (2/7/32)
Home Bonds	89.37	89.31	89.34	89.41	91.25 (3/5)	86.12 (4/1)	–	–
Transport	947.23	951.30	943.00	947.98	951.30 (9/12)	737.57 (21/1)	1101.16 (14/8/87)	12.32 (8/7/32)
Utilities	185.46	185.04	184.98	185.87	190.02 (29/1)	167.26 (20/4)	227.83 (22/1/87)	10.50 (8/4/32)

ϕDay's High 2165.18 (2157.01) Low 2133.89 (2131.40)

STANDARD AND POOR'S	Dec 12	Dec 9	Dec 8	Dec 7	1988 High	1988 Low	Since compilation High	Since compilation Low
Composite‡	276.52	277.03	276.56	278.13	282.88 (20/10)	242.63 (20/1)	336.77 (25/8/87)	4.40 (1/6/32)
Industrial	318.43	319.06	318.46	320.54	327.53 (24/10)	277.86 (20/1)	393.17 (25/8/87)	3.62 (21/6/32)
Financial	25.13	25.22	25.23	25.34	26.42 (20/10)	21.51 (8/1)	32.43 (25/8/87)	8.64 (1/10/74)
NYSE Composite	155.34	155.59	155.37	156.14	159.01 (20/10)	136.72 (20/1)	187.99 (25/8/87)	4.46 (25/4/42)
Amex Mkt. Value	296.67	297.61	297.38	297.77	309.33 (10/6)	262.76 (12/1)	365.01 (13/8/87)	29.31 (9/12/72)
NASDAQ OTC Comp	374.20	375.20	375.22	376.36	394.77 (18/7)	331.97 (12/1)	455.26 (26/8/87)	54.87 (31/10/72)

	Dec 9	Dec 2	Nov 25	year ago (approx.)
Dow Industrial Div. Yield	3.71	3.79	3.82	3.69
	Dec 7	Nov 30	Nov 16	year ago (approx.)
S & P Industrial div. yield	3.15	3.21	3.32	3.31
S & P Indl. P/E ratio	12.80	12.64	12.13	16.39

TRADING ACTIVITY †Volume

Millions	Dec12	Dec 9	Dec 8
New York	124.16	133.770	124.150
Amex	8.330	8.798	9.012
OTC	99.218	113.557	109.866

NEW YORK	Dec 12	Dec 9	Dec 8
Issues Traded	1,968	1,970	1,991
Rises	630	776	510
Falls	768	645	936
Unchanged	570	549	545
New Highs	46	30	22
New Lows	32	24	16

CANADA — TORONTO

	Dec 12	Dec 9	Dec 8	Dec 7	1988 High	1988 Low
Metals & Minerals	3006.1	3013.8	3007.1	2992.5	3226.5 (5/7)	2238.7 (8/2)
Composite	3295.2	3301.0	3307.3	3324.1	3465.4 (5/7)	2977.9 (8/2)
MONTREAL Portfolio	1644.34	1649.92	1650.23	1660.77	1723.71 (5/7)	1305.06 (27/1)

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Pillsbury	3,133,200	62⅞	+3⅞
Pac Gas & Elec	2,589,800	17⅜	−⅛
Cont'l Illinois	2,316,100	5¼	
RJR Nabisco	1,656,800	90⅛	+⅜
Gen Electric	1,449,400	46	+⅛
Lilco	1,367,400	12½	+⅛
Texaco	1,266,800	50⅜	+⅜
Corning Glass	1,226,000	69	−⅜
Smithkline Beck	1,181,700	48⅛	−1½
Exxon	1,070,900	44⅝	

Base values of all indices are 100 except NYSE All Common – 50; Standard and Poor's – 10; and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Dec. 13	Dec. 12	Dec. 9	Dec. 8	1988 High	1988 Low
AUSTRALIA All Ordinaries (1/1/80)	1457.5	1469.4	1471.0	1475.7	1657.8 (9/8)	1170.7 (10/2)
All Mining (1/1/80)	665.0	674.0	675.2	676.1	847.8 (9/8)	532.4 (10/2)
AUSTRIA Credit Aktien (30/12/84)	219.1	219.3	218.9	(c)	225.48 (4/11)	163.98 (11/2)
BELGIUM Brussels SE (1/1/80)	5405.7	5414.50	5404.90	5373.50	5414.50 (12/12)	3608.35 (4/1)
DENMARK Copenhagen SE (3/1/83)	255.23	257.62	259.17	259.76	261.07 (6/12)	180.68 (4/1)
FINLAND Unitas General (1975)	733.0	740.9	743.2	743.7	772.1 (8/8)	530.6 (15/1)
FRANCE CAC General (31/12/82)	(u)	396.8	394.2	393.9	397.2 (9/11)	251.3 (29/1)
Ind. Tendance (31/12/87)	152.2	152.9	152.4	152.1	153.4 (4/11)	89.7 (29/1)
GERMANY FAZ Aktien (31/12/58)	533.5	535.68	538.27	537.24	542.21 (27/10)	396.40 (29/1)
Commerzbank (1/12/53)	1600.3	1607.7	1616.4	1611.9	1641.6 (27/10)	1207.9 (29/1)
DAX (30/12/87)	1290.63	1292.69	1301.43	1296.53	1314.98 (28/10)	931.18 (28/1)
HONG KONG Hang Seng Bank (31/7/64)	2651.92	2665.94	2671.36	2680.20	2772.53 (12/7)	2223.56 (8/2)
ITALY Banca Com. Ital. (1972)	572.31	576.08	575.63	(c)	593.43 (9/11)	423.91 (9/2)
JAPAN** Nikkei (16/5/49)	29597.81	29672.29	29793.42	29758.90	30050.82 (7/12)	21217.04 (4/1)
Tokyo SE (Topix) (4/1/68)	2292.24	2296.15	2305.48	2302.60	2314.20 (7/12)	1690.44 (4/1)
NETHERLANDS ANP-CBS General (1970)	278.6	277.4	277.3	277.5	285.8 (26/10)	205.7 (4/1)
ANP-CBS Industrial (1970)	246.1	244.5	244.2	244.4	252.6 (31/10)	157.9 (11/1)
NORWAY Oslo SE (4/1/83)	441.14	438.98	432.47	426.57	441.14 (13/12)	327.78 (28/1)
SINGAPORE Straits Times Ind. (30/12/66)	1002.51	1001.20	1002.26	1002.84	1177.87 (8/8)	833.60 (4/1)
SOUTH AFRICA JSE Gold (28/9/78)	1337.0	1355.0	1365.0	1382.0	1451.0 (7/7)	1154.0 (4/5)
JSE Industrial (28/9/78)	1901.0	1906.0	1904.0	1904.0	1906.0 (12/12)	1387.0 (12/2)
SPAIN Madrid SE (30/12/85)	277.70	278.09	277.00	(c)	301.63 (15/6)	225.50 (4/1)
SWEDEN Jacobson & P. (31/12/56)	3344.3	(u)	3350.9	3328.5	3350.9 (9/12)	2148.5 (4/1)
SWITZERLAND Swiss Bank Ind. (31/12/58)	590.3	591.6	589.0	586.5	591.6 (12/12)	466.6 (13/1)
WORLD M.S. Capital Intl. (1/1/70)	(u)	489.9	492.4	491.7	493.8 (6/12)	401.0 (21/1)

**Saturday Dec. 10: Japan Nikkei (c) and TSE (c)

‡ Subject to official recalculation.

Base values of all indices are 100 except Brussels SE and DAX – 1,000 JSE Gold – 255.7 JSE Industrials – 264.3 and Australia. All Ordinary and Mining – 500; (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks
Tuesday 13 December 1988

	Stocks Traded	Closing Prices	Change on day
Mitsui Eng & Shipbldg	105.4m	772	+27
Mitsui Mining & Smelting	39.4m	778	+3
Sumitomo Metal	35.9m	782	+21
Japan Line	30.2m	680	-26
NKK	25.7m	973	+18
Kobe Steel	22.3m	759	+20
Nippon Steel	19.8m	988	+20
Ube Industries	18.1m	720	+18
Toray	18.3m	873	-8
Hitachi Zosen	15.5m	834	+7

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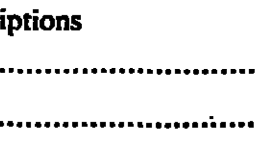

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NEW YORK STOCK EXCHANGE COMPOSITE PRICES

12 Month High Low Stock Div. Yld. P/E Sls 100s High Low Close Quote Ch'ge Prev. Close

- A-A-A -

27⅞ 15 AAR .44 1.9 16 40 23¼ 23 23
10⅛ 8¼ ACM n 1.01 11. 226 9 8⅞ 9
12¼ 10⅝ ACMIn 1.26a 12. 761 10¼ d10½ 10½ − ⅛
10⅛ 9⅞ ACM M n.08e .8 280 10 9⅞ 10 + ⅛
12¼ 10⅛ ACMSc n1.26 12. 1334 10⅝ 10½ 10½
10⅛ 8⅛ ACMSp n1.01a 12. 855 8⅞ 8⅝ 8⅝ − ¼
8⅝ 2⅝ AMCA .12e 3.7 26 3⅜ 3¼ 3¼ − ⅛
6⅞ 3⅝ AM Intl 808 4⅞ 4⅝ 4⅞ + ⅛
23¼ 18¼ AM Int pf 2 9.3 357 21½ 21¼ 21½ + ¼
55 29¾ AMR 9 1670 53½ 52¾ 53 − ⅜
27 25 ANR pf2.67 11. 1 25¾ 25¾ 25¾ − ⅛
24⅜ 20⅞ ANR pf 2.12 9.1 1 23⅜ 23⅜ 23⅜
9½ 5⅜ ARX 10 438 6 5⅝ 6 + ¼
54½ 35¼ ASA 3a 7.8 135 38⅝ 38¼ 38¼ − ¼
20¼ 12⅜ AVX .12e .7 11 132 16⅞ 16¼ 16⅞
52⅜ 42⅞ AbtLab 1.20 2.6 15 2417 47½ 46⅝ 47⅜ + ⅛
21¼ 15¼ Abitibi g 1 10 16 15⅞ 16 − ⅛
13⅞ 7½ AcmeC .40 5.2 178 7⅞ 7⅝ 7⅝ + ⅛
8⅞ 5⅞ AcmeE .32b 5.2 27 13 6⅛ 6⅛ 6⅛ + ⅛
29½ 16¼ Acuson 23 157 24⅞ 23⅞ 23⅞ − ⅝
17 14½ AdaEx 1.92e 12. 100 14⅞ 14½ 14⅞
16⅞ 7⅛ AMD 13 3185 7⅞ 7⅝ 7⅝
43½ 28⅞ AMD pf 3 10. 17 29⅞ 29⅝ 29⅞ + ⅝
8½ 4⅞ Adobe 71 6⅜ 6⅝ 6⅝
21¼ 19¼ Adob pf 2.40 12. 37 20½ 20½ 20½
9⅛ 5⅞ Advest .12 1.7 21 103 7 6⅞ 6⅞
52½ 39½ AetnLf 2.76 5.8 8 1236 47⅝ 47¼ 47½
34¼ 27⅛ AfilPb s .22 .7 448 33⅞ 33½ 33⅝ + ⅛
18⅝ 13 Ahmans .88 5.7 9 3033 15⅞ 15⅝ 15⅝ − ⅜
4⅝ 1⅞ Aileen 43 3⅜ 3⅜ 3⅜
53⅞ 33⅞ AirPrd 1.20 3.0 10 1338 40⅛ 39¾ 40 − ¼
19⅜ 11⅞ AirbFrt .60 3.2 19 217 19⅛ 19 19
Airgas 16 60 15 14¾ 14⅞ − ¼
20 14½ Airlease 2.40 12. 9 67 19½ 19¼ 19⅜ + ⅛
9⅞ 8⅝ AlaP dpf.87 9.6 18 9½ 9 9⅛
108 102 AlaP pf 11 11. z100 103½ 103½ 103½ + 1½
89½ 80 AlaP pf 8.16 9.8 z100 83½ 83½ 83½ + ½
87 79½ AlaP pf 8.28 10. z200 82 81⅝ 81⅝ − ⅛
22½ 12⅞ AlskAir .20 1.0 10 135 19½ 19⅜ 19⅜ − ⅛
19⅞ 9⅞ Albnyin .25 1.7 10 913 14⅞ 14⅜ 14⅜ + ⅛
38¼ 17¼ Alberto .30 .8 18 24 35⅞ 35⅝ 35⅝ − ¼
38⅜ 24 Albtsn .56 1.5 16 946 37⅝ 36⅞ 37 − ⅝
33⅞ 23½ Alcan s 1.20 3.9 6 1262 30⅞ 30⅝ 30⅝ − ⅜
27⅞ 18⅞ AlcoStd .76 2.9 11 1632 26½ 26 26¼ − ⅛
28⅛ 18¼ AlexAlx 1 4.2 16 258 24 23⅞ 23⅞ − ¼
77 38 Alexdr 112 67⅞ 66 66 − 1
76¼ 67⅞ AllegCp 10 1 72½ 72½ 72½ − ½
8⅞ 1⅝ vjAlgInt 265 1⅞ 1⅝ 1⅞
10⅞ 2 vjAlgl pr 60 3⅝ 3¼ 3¼
35⅞ 7½ vjAlgl pfC 46 10⅝ 10⅝ 10⅝ − ⅛
32⅛ 19 AlgLud 1a 3.3 7 99 30½ 30⅛ 30¼ − ⅛
41½ 35¼ AllgPw 3.08 8.2 10 363 37½ 37⅛ 37⅛ + ⅛
14½ 6⅞ AllenG 185 13⅜ 12½ 12½ − ⅜
15⅞ 9¼ Allen pf1.75 11. 42 16½ 15¾ 16⅛ − ⅛
17⅞ 9⅞ AlnCap n1.28 12. 282 10⅞ 10½ 10½
21 12½ AlldPd 13 14¼ 14 14⅛ − ⅛
36⅞ 28 AldSgnl 1.80 5.4 12 2321 33⅝ 33¼ 33½ − ⅜
10⅛ 9 AlstMu .78a 7.5 239 10⅜ 10¼ 10⅜ + ⅛
10¼ 9¼ AlsMil n.32e 3.3 62 9⅞ 9⅝ 9⅝
10⅞ 10 AlsMO n.08e .8 58 10¼ 10⅛ 10⅛ + ⅛
37⅞ 25⅞ ALLTEL 1.72 4.8 10 126 36 35⅞ 35⅞ − ⅛
57⅞ 38⅝ Alcoa 1.40 2.7 8 1403 52⅝ 52⅛ 52⅛ − ⅜
19½ 11⅞ AmaxG .08 .5 21 57 16⅞ 16½ 16⅝ + ⅛
24⅝ 15¼ Amax .40 1.8 11 1168 22¼ 22 22⅛ − ⅛
15⅞ 7⅞ Amcast .48 3.9 10 71 12⅝ 12⅜ 12⅜ + ⅛
33¼ 22½ AmHes .60 2.0 x602 29⅞ 29¼ 29⅜ + ⅜
23½ 14⅜ ABarck .10e .6 429 16⅜ 16 16⅛ − ⅛
60⅞ 40⅛ AmBrnd 2.44 4.4 9 1385 55⅛ 55⅛ 55⅛ − ⅜
30⅞ 27⅞ ABrd pf2.75 10. 1 27⅞ 27⅞ 27⅞ − ⅛
121 88½ ABrd pf2.67 2.4 1 112¼ 112¼ 112¼ − 2¼
28½ 15½ ABldM .92 3.9 15 27 23⅝ 23⅝ 23⅝ + ⅛
28⅝ 18⅜ ABusPr .88 3.5 12 8 24⅞ 24⅝ 24⅞
22⅝ 19¼ ACapBd 2.20 11. 31 20⅞ 20 20 − ⅜
23⅜ 20 ACapCv 5.13e 24. 40 21⅛ 21¼ 21¼ − ⅛
10¼ 8⅞ ACapIn n1.10 12. 118 9¼ 9 9 − ⅛
14 7¾ ACMR 1 11. 8 5 8⅞ 8⅝ 8⅝ − ⅛
1⅛ ⅛ ACentC 155 9-64 ⅛ ⅛
55 38¾ ACyan 1.20 2.6 14 2140 46⅞ 46 46⅛ − ⅜
29⅜ 25⅜ AEIPw 2.32a 8.4 10 2676 27⅞ 27½ 27½ − ⅜
30⅞ 21⅞ AmExp .84 3.1 16 3169 27½ 27¼ 27⅜ − ⅛
17 11½ AFamly .28 2.1 10 386 13⅝ 13 13⅛
36⅞ 27⅞ AGnCp 1.40 4.6 9 1678 30⅞ 30½ 30½ − ⅜
12⅞ 4⅞ AGnl wt 641 6⅜ 6¼ 6¼ − ⅛
8½ 7⅞ AmGvl n.84a 10. 34 8⅛ 8 8⅛ + ⅛
10⅛ 9⅜ AGIP n .24e 2.5 342 9⅝ d 9¼ 9½ − ⅛
19½ 14⅝ AHltPr 2.12 12. 12 61 18⅛ 18⅛ 18⅛ − ⅛
27 23½ AHerit 1.08 4.3 12 2 25¼ 25¼ 25¼
13⅞ 6¼ AHoist 310 12 11⅝ 11⅝ − ¼
24¼ 17½ AHoist pf1.95 8.9 105 22½ 22 22
84⅞ 66 AHome 3.60 4.4 13 601 82½ 82 82¼ − ⅜
99⅞ 82 Amrtch 5.40 5.7 10 405 95¼ 94⅞ 95
66⅞ 49 AIntGr .40 .6 9 1207 66⅛ 65⅝ 65½ − ⅝
18⅞ 11⅞ AMI .72 4.8 12 2806 15⅜ 14⅞ 14⅞ − ⅜
35⅞ 22⅞ APresd .50 1.5 10 601 33⅞ 33⅜ 33⅜ + ⅛
62⅞ 48½ APrsd pf3.50 6.1 12 58 57½ 57⅛ 57⅛ + ½
16⅞ 14⅛ AREst 2 13. 9 50 16⅛ 15⅞ 15⅞ − ⅛
5⅛ 3⅜ AmRlty .60 14. 3 89 4⅛ 4⅛ 4⅛ − ⅛
18⅝ 10⅝ ASB .80 5.7 3 70 14 13⅞ 14
19½ 16⅞ ASB pf 1.81 11. 40 16⅞ 16⅝ 16⅞ − ⅛
6⅞ 3⅛ AShip 26 5⅛ 5⅛ 5⅛
66½ 45⅛ AmStor 1 1.8 16 x572 55⅞ 54⅞ 54⅞ − 1
72 54 AStr pfA4.38 7.2 87 62 60⅞ 60⅞ − 1
30⅛ 24⅛ AT&T 1.20 4.1 14 10774 29⅞ 29⅝ 29 − ¼
18¼ 14½ AmWtr .68 3.8 10 61 18 17⅞ 18 + ⅛
14⅛ 8⅝ AmHoti 56 57 12⅛ 12⅛ 12⅛ + ⅛
40⅞ 28⅞ Ameron 1.12 3.7 12 8 30⅞ 30½ 30⅞ + ⅛
15⅞ 8⅝ AmesDp .10 .7 12 460 13⅝ 13⅜ 13⅝ − ⅛
17⅝ 12½ Ametek .60 4.5 15 x716 13⅝ 13¼ 13¼ + ⅛
11⅞ 10⅛ AmevSc 1.08a 11. 50 10⅛ 10⅛ 10½
80⅛ 63 Amoco 3.50 4.7 9 1471 74⅞ 74 74⅛ − ⅛
54⅛ 40½ AMP 1 2.3 17 787 43⅞ 43¼ 43⅛ − ⅛
14⅛ 11⅝ Ampco .30 2.2 61 13⅞ 13½ 13½
16⅝ 6½ Amre s 22 127 14⅛ 14⅛ 14⅛ − ⅛
25⅞ 20½ AmSth 1.32 5.6 9 145 23⅝ 23⅝ 23⅝
11⅞ 5⅛ Anacmp 10 776 8⅜ 8⅛ 8⅛ − ⅛
36 22 Anadrk .30 1.1 43 62 26⅞ 26½ 26½ − ⅜
16⅛ 9⅞ Analog 14 224 11⅞ 11⅛ 11⅛ − ⅛
21⅞ 7⅞ AnchGl .08 .9 28 324 9⅞ 9 9⅛ + ⅛
27⅞ 19½ Angelic .76 3.6 12 109 21⅜ 20⅞ 21⅛ + ⅜
12⅛ 8½ AngelRt 1.52 17. 82 8⅞ 8⅞ 8⅞
34⅞ 29 Anheus .72 2.3 15 2842 32⅛ 31⅞ 31⅞ − ⅜
14⅞ 7⅞ Anthem 9 234 9 8⅞ 8⅞ + ⅛
14⅛ 6⅛ Anthny s.44 3.8 8 21 11½ 11½ 11½ − ⅛
28⅞ 20⅛ Aon cp 1.28 4.8 10 721 27⅞ 26⅞ 26⅞ − ⅜
13⅞ 6 Apache .28 3.5 230 8⅛ 8 8 − ⅛
37½ 17⅞ ApplBk 7 102 32 31⅞ 31⅞ − ⅛
17½ 11 ApplMg 8 246 13⅛ 13 13
23¼ 17¼ ArchDn .10b .5 10 2501 20⅞ 20⅛ 20⅛ − ⅛
38 23¼ ArcoCh 1 3.4 1164 29⅞ 29⅛ 29⅛ − ⅛
35 22¼ Aristec .92 3.6 4 1048 25⅞ 25⅜ 25½ − ⅛
20⅛ 16⅜ Arkla 1.08 5.4 16 1596 20⅛ 19⅞ 19⅞ − ⅛
43 34½ Arkla pf 3 7.4 2 40⅝ 40⅝ 40⅛ + ⅛
14⅛ 8⅜ Armada 12 11 11 11
12½ 9 Armco 24 549 9⅞ 9½ 9½
24⅛ 20¼ Armc pf2.10 8.9 75 23⅞ 23⅝ 23⅝
44⅝ 37⅞ Armc pf4.50 11. 1 42¼ 42¼ 42¼ + ⅛
44 28½ ArmWI 1 3.0 9 629 33⅛ 32⅞ 33 − ⅛
10⅞ 5⅞ ArowE 12 50 6 5⅞ 6
19¼ 12⅝ ArowE pf1.94 15. 3 13⅛ 13⅛ 13⅛
41⅞ 12¼ Artra 33 26⅞ 26⅞ 26⅞
26⅛ 16½ Arvin .68 3.6 27 628 18⅝ 18⅝ 18⅝ − ⅛
29½ 19⅞ Asarco .80 3.1 5 642 26⅛ 25⅞ 26 − ⅛
12⅞ 10 AsCoal n.05e .4 5 323 11⅞ 11⅝ 11⅝ − ⅛
37⅞ 28⅞ AshOil s 1 3.0 8 280 33⅞ 32⅞ 33⅛ + ⅛
7⅞ 3⅞ AsiaPc 240 6⅜ 6⅛ 6⅛
8⅞ 4⅛ AtalSos .40e 9.1 6 36 4⅜ 4⅜ 4⅜ + ⅛
27½ 10⅞ Athlone 1.60 6.4 9 25⅜ 25⅛ 25⅛ + ⅜
26⅞ 21 AtlGas 1.88 7.2 11 367 26⅛ 25⅞ 26⅛ − ⅛
35 28⅞ AtlEnrg 2.76 8.3 9 515 33⅜ 33⅛ 33⅛ + ⅛
80⅞ 63⅞ AtlRich 4 5.1 9 1148 79⅞ 78⅞ 78⅞ − ⅞
597⅛ 478¼ AtlRc pr 3 .6 4 536⅝ 536⅜ 536⅜ − 7⅛
216 155½ AtlRc pr2.80 1.5 2 189⅛ 189⅛ 189⅛
42⅛ 27⅛ AtlasCp 36 28⅞ 28⅛ 28⅛ + ⅛
17⅛ 11⅞ ATMOS 1.12 6.5 7 116 16⅞ 16⅝ 16⅝ − ⅜
8 3 AudVd 31 603 6⅜ 6⅛ 6⅛ + ⅛
15⅞ 10½ Augat .40 3.7 725 11 10⅞ 10⅞ − ⅛
37⅛ 11 Auslml .60 1.8 16 197 33⅞ 33 33⅛ − ⅛
47⅛ 34⅝ AutoDt .52 1.3 16 1312 39⅞ 39⅝ 39⅞ + ⅛
6⅞ 4⅛ Avalon 52 5¼ 5⅛ 5⅛
26⅛ 17⅞ AVMCO .34 1.4 12 4 24 24 24 − ⅛
26 16⅞ Avery .48 2.1 20 700 22½ 22¼ 22½
26⅛ 19 Avnet .50 2.6 14 624 20 19⅞ 19⅞ − ⅛
26⅜ 18⅝ Avon 1 5.1 4046 19⅝ 19⅛ 19⅝ + ⅜
28⅛ 19⅞ Avon pf 2 9.8 1066 20⅜ 20⅛ 20⅛
25½ 17⅞ Aydin 9 20 21⅞ 21½ 21½ − ⅛

- B-B-B -

32⅜ 27¼ BCE g 2.48 583 31½ 31⅛ 31⅛ − ⅛
18⅞ 14⅛ BET .88e 5.4 10 11 16⅞ 16⅛ 16⅛ − ⅛
8⅜ 4½ BMC 6 12 6⅞ 6⅞ 6⅞
31⅞ 25⅞ BRE 2.40 8.0 15 6 30 30 30
19⅞ 15⅞ BRT 2.48 13. 7 62 18⅝ 18⅛ 18½
31 18¼ Bairnco .90 3.7 36 24⅞ 24¼ 24¼
22 16¼ BakrF s2.32e 12. 35 19 18⅞ 19
19⅞ 12½ BakrHu .46 3.4 30 1787 13⅞ 13½ 13½ − ⅛
51⅜ 38½ BkrH pf3.50 8.8 34 40 39⅞ 39⅞ − ⅛
28⅞ 18⅛ Baldor .56 2.5 23 10 22⅛ 22⅛ 22⅛ − ⅛
35⅞ 25⅜ Ball 1.08 3.7 12 42 29⅛ 29 29⅛ − ⅛
25⅛ 12⅝ BallyMf .24 1.1 23 3334 22½ 21⅞ 22½ + 1⅛
17⅛ 10 BaltBcp .50 3.7 91 88 13⅞ 13½ 13⅞ − ⅛
39⅛ 29 BaltGE 2 6.4 9 163 31⅛ 31⅛ 31⅛
54 49⅛ Balt pfB4.50 8.7 z200 52 52 52 + 1
27⅝ 17½ BncOne .92b 3.9 9 987 23⅞ 23⅝ 23⅝ − ⅛
26⅜ 19⅛ BncCtrl .28t 1.3 16 119 22⅛ 22⅛ 22⅛ + ⅛
64 47¼ BnSant .95e 1.6 29 60½ 60 60 − ⅜
2 9-16 BanTex 331 11-16 ⅝ 11-16 + 1-16
67¼ 49½ Bandag .90 1.4 14 x8 63½ 63¼ 63⅛ − ⅛
30 19⅞ BkBost 1.24 5.2 8 7484 24 23⅞ 24
51¼ 40 BkB pfA3.56e 9.0 7 39⅜ d39⅛ 39⅛ − ⅛
51 37½ BkB pfB 6e 16. 40 37⅞ 37⅞ 37⅞ − ⅛
30⅞ 20⅞ BkNE 1.36 5.7 7 1607 24⅞ 23⅞ 23⅞ − ⅛
36⅞ 24¼ BkNY 1.82 5.2 6 933 u37 36⅞ 36⅞
19⅞ 6⅛ BnkAm 9 3771 18¼ 17⅞ 17⅞ − ½
37⅛ 24½ BkA pf3.58e 10. 61 35 34⅛ 34⅛ − ⅜
61½ 42 BkA pf 6e 11. 40 55½ 55 55 − ⅛
7⅞ 5⅛ BkA pf 2.88 36 6⅛ 6⅛ 6⅛ + ⅛
41½ 28⅛ BankTr 1.86 4.9 4 7614 36⅞ 38 38 − ⅝
19⅞ 9 Banner s 38 16 15⅞ 16 + ⅛
24⅝ 16½ Bard s .32 1.4 18 434 22⅞ 22½ 22½ − ⅛
38⅛ 30 BarnGp 1.20 3.4 11 82 36 35⅞ 35⅞ − ⅛
37⅛ 27⅞ Barnett 1.04 3.1 9 1128 33⅞ 33⅛ 33⅛ − ⅛

PRO MONITORS FROM PHILIPS

The clear advantage

PHILIPS

Continued on Page 45

NYSE COMPOSITE PRICES

Continued from previous Page

12 Month High	Low	Stock	Div.	Yld.	P/E	Sales 100s	High	Low	Close	Ch'ge Prev. Close
77⅞	66½	PSEG pfd.90	9.9			114	68½	68½	68½	+ ⅛
3⅞	2⅞	Publiclt				1790	3⅛	3	3	− ⅛
48¼	19¼	PR Cem .50a	1.0	7	3	48	48	48	48	− ⅛
20¼	18	PuggePr 1.76	9.6	8		457	18⅞	18⅛	18⅞	
9	7	PHCS .80	11.			97	7⅞	7⅞	7⅞	
10⅛	8⅛	PGIT n3.01	11.			881	9¼	9¼	9¼	− ⅛
10⅛	8⅞	PMIT n1.05a	11.			282	9⅛	9⅛	9⅛	+ ⅛
10¼	8⅞	PMT 1.10a	12.			798	9⅛	9⅛	9⅛	− ⅛
32¼	8¼	PPvT n1.02a	11.			2719	9¼	9	9⅛	
8¼	3⅛	Pyro				360	8⅛	8⅛	8⅛	− ⅛
12⅛	8	QMS				372	7¼	7⅛	7¼	− ⅛
1⅛	9-16	Qualcr				1 220	⅝	9-16	9-16	
61½	38½	QuakrO 1.20	2.5	16		1000	63	62½	63⅞	− ⅛
27⅞	14⅛	QuekSC .80	4.8	34		990	16⅞	16½	16½	− ⅛
15⅞	4⅛	Quanex .08e	.5	7		140	13½	13⅛	13⅛	− ⅛
27½	25⅛	Quaker pf				42	26	26	26	+ ⅛
108⅞	64	Quantm .8	2.4		7	1063	90⅞	89	89⅞	+ ½
10⅞	6⅞	QstVI 1.7	9.5			142	10⅞	10⅞	10⅞	+ ⅛
8⅞	5⅞	QstVC .09				277	8⅞	8⅛	8⅞	+ ⅛
35⅞	25⅞	Questar 1.08	3.8	40		89	32⅞	31⅞	32⅛	
14½	10⅛	QtrRelty .24a	2.2	3		78	11⅛	11	11⅛	+ ⅛
		— R—R —								
12⅛	4½	Rblnd				20	11⅞	11⅛	11⅛	− ⅛
94½	64	RJR Nb2.20	2.4	16		15912	90⅞	89⅛	90⅞	+ ½
110½	100½	RJR pf1.60	11.			57	106⅛	106½	106½	− ⅛
11⅛	6	RLC .20	3.8	8		33	11⅛	11	11⅛	+ ⅛
12½	7⅛	RLI Cp .36	4.7	6		17	7⅞	7⅞	7⅞	− ⅛
6⅞	3⅞	RPC			18	12	5⅞	5⅞	5⅞	
31⅞	29½	Raytel s				2080	29⅞	29⅛	29⅛	− ⅛
1⅛	5-16	Radica				73	7-16		7-16	
89⅞	63	RalsPur 1.60	1.9	14	1145	80⅞	80⅛	80⅛	80⅛	
10⅛	6⅛	Ramad				396	6⅛	6⅛	6⅛	
4	2	RangO			80	365	5⅛	4⅞	5	
54⅞	32⅞	Raycm .32	.8	10	766	34⅞	33⅞	34	− ⅛	
12½	6⅞	RaxsFn .20	2.0	10	4	10⅛	10⅛	10⅛	+ ⅛	
21⅞	15	Rayonr 2.80	14.	6	47	19⅞	19⅛	19	− ⅛	
6½	2⅞	Raytch .05e	1.8		215	2⅞	2⅞	2⅞		
73⅞	61	Raytha 2	2.8	10	577	71⅞	70⅞	71		
3⅞	1	RedBrr			661	⅞	⅞	⅞		
5⅞	1⅞	RdStat .20			28	1⅞	1⅞	1⅞	− ⅛	
19	10⅛	REIT 1.34	8.4	14	35	14⅞	15⅞	15⅞	− ⅛	
16½	14	RliRef 1.72	12.	8	10	14⅞	14⅞	14⅞		
11⅞	6⅞	RechEq			27	807	9⅞	9⅛	9⅛	+ ⅛
10⅞	6⅞	Redmn .36	6.7		5		9⅛	9⅛	9⅛	− ⅛
1	5-32	Regal				264	⅛	3-16	7-32	+ 1-32
6⅞	5	RegFn .24e	4.0		24	6⅛	6	6	6	− ⅛
16⅞	13⅛	RelnTg 1.76	12.	9	22	14⅞	14⅞	14⅞	− ⅛	
7½	4½	RelGrp .32	7.1	6	199	4½	4½	4½		
4⅞	2	RepBcy .20	4.4	25	31	4½	4½	4½		
48⅞	68⅞	RepNY 1.20	2.8	10	135	42⅞	42⅞	42⅞	+1⅛	
53	43⅞	RNY pf6.375a	8.6		11	44⅞	44	44	− ⅛	
23⅞	16⅛	Revlon n.15e	1.0		1535	15⅛	15⅛	15	− ⅛	
32	24	ReyAlm 1	2.0		7	1605	61⅞	60⅞	60⅞	−1⅛
40⅞	36⅞	RltyAld .24	2.6	12	481	30½	29⅞	29½	−1	
1⅞	9-16	RvrOak			1	19⅞	13-32		13-32	+1-32
16½	6⅞	Robbins			361	7⅞	7⅞	7⅞	+ ⅛	
27	12⅛	vRobins		13	177	24⅞	24⅞	24½		
18⅛	14⅛	RochG 1.50	8.8	11	77	17⅞	17	17		
49⅞	39⅞	RochTl 2.72	5.6	13	21	48⅞	48	48	− ⅛	
8⅞	5⅞	Rolinx .36	2.5	17	263	14⅞	14⅞	14⅞		
20⅞	16⅞	RchEm 1.84	8.6	14	91	19⅞	19⅞	19⅞	− ⅛	
29⅞	18⅞	Rockwl .72	3.4	7	1629	21⅞	21⅛	21⅛	− ⅛	
9⅞	4⅞	RodRes .14	1.9		58	7⅞	7⅞	7⅞	+ ⅛	
37½	26	Rohlgas 1.12	3.4	10	129	33⅞	33⅞	33⅞	− ⅛	
33½	19⅛	Rohr		14	268	27⅞	26⅞	27	− ⅛	
12⅞	9	RollsR s .68	.8	18	1180	10⅞	10	10		
19⅞	14⅞	RollInt .92	3.2	16	167	16⅞	16½	16½	− ⅛	
48½	22	Rorer s .80	1.8	36	2085	46⅞	44	44		
6⅞	4⅞	Rowan			3673	5⅞	5⅞	5⅞	+ ⅛	
124⅞	103½	RoyID 7.24e	6.3	7	1454	114⅞	114½	114½	− ⅛	
13½	8⅞	Rdylnt .16e	1.7	11	162	9⅞	9½	9½	− ⅛	
8⅞	6⅞	Royce .22e	2.7		52	8⅞	8⅞	8⅞		
27	21	Rubbrm .44	1.5	19	468	29⅞	29⅛	29⅛	− ½	
28½	17⅞	RussTr .40	2.1	8		19	19	19		
16⅞	14⅞	RussTg .92	4.5	21	104	13⅞	13⅞	13⅞		
17⅞	10⅞	Russell .24	1.5	12	69	15⅞	15⅞	15⅞		
32½	22½	Ryder .20	2.3	15	1666	24⅞	24⅞	24⅞		
21⅞	16⅞	Ryland .76	3.5	15	270	30	29⅞	30	− ⅛	
19⅞	11⅞	Rylmnd .60	2.6	7	262	19⅞	19⅞	19⅞	− ⅛	
13½	8⅞	Rymer		5	8	9⅞	9⅞	9⅞		
10	7⅞	Rymer pf1.17	15.		57	9⅞	9	9	− ⅛	
		— S—S —								
34½	29⅛	SCEcp 2.46	7.7	9	5061	32⅞	32	32⅞	+ ⅛	
9⅞	6⅞	SCOR U.10a	1.4	5	10	7⅞	7⅞	7⅞		
46½	32	SPSTec 1.20	2.8	20	44	42⅞	42⅞	42⅞	− ⅛	
42⅞	29½	SPX Cp 1.20	2.7	17	4784	44⅞	41⅞	44	+1⅛	
21⅞	14⅞	SBMC		66	63	23⅞	19⅞	19⅞	− ⅛	
25⅞	17	Saatchi 1.04e	5.9	7	84	17⅞	17½	17½	− ⅛	
17⅞	14⅞	SabrR 1.37e	12.	9	44	11⅞	11⅞	11⅞		
17⅞	11⅞	SfgSBc		8	28	16⅞	16½	16½		
35⅞	24⅞	SafCo .20	1.3	21	274	24⅞	23⅞	23⅞	− ⅛	
9⅞	6⅞	SahCas 1.12	12.		59	8⅞	8⅞	8⅞		
24½	19	StJoLP 1.40	6.8	9	36	21	20⅞	20⅞	− ⅛	
19⅞	6	Salant		7	17	17⅞	17⅞	17⅞	+ ⅛	
69⅞	66⅞	SalMae .80	1.0	17	678	63⅞	63	63⅞	− ⅛	
23⅞	17⅞	Salomn .64	2.5	17	x1384	26⅞	26	26⅞	+ ⅛	
39⅞	29⅞	SlMcEn 2.20	6.2	12	740	37⅞	37½	37½	− ⅛	
8⅞	6⅞	SlMcEn 2.76	3.6	19	180	7⅞	7⅞	7⅞		
14⅞	9⅞	SJuanR 2.25e	12.	15	12	12⅞	12	12⅞	+ ⅛	
33⅞	23⅞	SAnMR 2.08	6.4	16	24	32⅞	32⅞	32⅞		
16⅞	12⅞	SFeEP 2.88	21.		68	13⅞	13⅞	13⅞		
		SFePP n			773	20⅞	20	20		
26⅞	14⅞	SFeRail .60			660	17	16⅞	16⅞	− ⅛	
61½	32⅞	SnraLex 1.44	3.2	16	657	45⅞	45⅞	45⅞	− ⅛	
12⅞	10⅞	SavE pf1.28	12.		9	11⅞	11	11⅞	+ ⅛	
	13-64	Savin			7	2302	9-32		9-32	
7½	4⅞	Savn pf6.50	12.		53	6⅞	6⅞	6⅞	+ ⅛	
7⅞	3⅞	Savn pfD.10	1.6		3	5⅞	5⅞	5⅞		
33⅞	28⅞	SCANA 2.40	7.8	11	194	31	30⅞	30⅞	− ⅛	
7⅞	5⅞	SchbR 1	3.5		48	7⅞	7⅞	7⅞	− ⅛	
59⅞	16⅞	SchrPlg 1.20	2.5	17	912	57⅞	57	57⅞	− ⅛	
38⅞	27⅞	Schlmb 1.20	3.7	13	x4077	32⅞	32⅞	32⅞	− ⅛	
9⅞	5⅞	Schwb			110	7⅞	6⅞	6⅞	− ⅛	
16⅞	6⅞	SciAtl .12	.9	10	465	12⅞	12⅞	12⅞	+ ⅛	
42⅞	32	ScotP s .60	2.2	7	3613	35	35	35	+ ⅛	
14⅞	11⅞	Skotyw .52	4.7	35	74	11⅞	d11	11	− ⅛	
14⅞	9⅞	SeaMch 4.50e	.9		65	9⅞	9⅞	9⅞		
29⅞	19⅞	SeaCnt .36e	1.3	4	151	27⅞	27	27		
14⅞	11⅞	SeaCt pf1.46	11.		9	13⅞	13⅞	13⅞	− ⅛	
17½	10⅞	SeaCt pf2.10	12.		5	17⅞	17⅞	17⅞	+ ⅛	
17½	15	SeaCt pf2.10	12.		1	16⅞	16⅞	16⅞	− ⅛	
42⅞	30⅞	SeaCp pf2.40	8.2		6	50⅞	50⅞	50⅞	− ⅛	
61⅞	38	Seagrm 1.36	2.0	16	1160	68⅞	68⅞	68⅞	− ⅛	
19⅞	12	Seagul .15e			41	16⅞	14⅞	14⅞		
47⅞	34⅞	SearAr .60	1.5	15	1	45⅞	45⅞	45⅞		
48⅞	40⅞	Sears 2.70	5.0	10	4002	49⅞	48	49⅞	+ ⅛	
41½	22⅞	SotPac 1.65	5.3	10	1289	31⅞	30⅞	31⅞	− ⅛	
18⅞	14⅞	SelgmA .16e	1.0	13	74	16	16	16	− ⅛	
7⅞	3⅞	SelgmS .20	2.8		3	6⅞	6⅞	6⅞		
27	23⅞	Sequa pf 5	9.8		38	26⅞	26⅞	26⅞	− ⅛	
25⅞	16⅞	SvcMcr .48	2.8	22	760	17	16⅞	16⅞	− ⅛	
7⅞	2⅞	SvcRes			59	4⅞	4⅞	4⅞		
28⅞	22⅞	Sevnat 1.76	7.4	12	476	23⅞	23⅞	23⅞	+ ⅛	
19⅞	16⅞	Shaklee .80	3.1	16	130	25⅞	25⅞	25⅞	− ⅛	
24⅞	13⅞	Shawin .68	2.9	10	37	23⅞	22⅞	22⅞	− ⅛	
16⅞	13⅞	ShellMt .75	4.9	13	12	15⅞	15⅞	15⅞		
41	32⅞	ShellT s		9	1035	37	36⅞	36⅞	− ⅛	
31⅞	22⅞	Shurwin .64	2.6	7	623	26⅞	26	26	− ⅛	
11	6⅞	Showbt .20	3.2		80	6⅞	6⅞	6⅞		
23⅞	20	SierPac 1.80	7.7	12	169	23⅞	23⅞	23⅞		
6⅞	4½	SmlArl .03i			10	4⅞	4⅞	4⅞		
34	22⅞	Signet 1.40	4.4	6	488	31⅞	31⅞	31½		
16⅞	7⅞	SilicnG			1	8⅞	8⅞	8⅞		
19⅞	14⅞	Simplr 1.56	11.	14	5	14⅞	14⅞	14⅞		
18⅞	12½	Skylnd .48	3.3	12	105	14⅞	14⅞	14⅞	+ ⅛	
10⅞	5⅞	Skytel			4	8⅞	8⅞	8⅞	+ ⅛	
59⅞	40⅞	SmkBch 1.84	3.7	24	6550	49⅞	49½	49½	+ ½	
62⅞	45⅞	Smuckr .68	1.5	16	55	57⅞	56	57⅞		
44⅞	32½	SnapOn 1	2.9	13	673	35⅞	34⅞	35	− ⅛	
14⅞	9⅞	Snyder .60	17.3	20	201	9⅞	9⅞	9⅞		
18⅞	6⅞	Snydr pf2.60	16.		41	11⅞	11⅞	11⅞	+ ⅛	
7⅞	3⅞	Solitron			16	3⅞	3⅞	3⅞	− ⅛	
31⅞	21⅞	Sonat 2	6.0	11	432	28	28⅞	28⅞	− ⅛	
55	35⅞	SonyCp .28e		5	32	55⅞	55⅞	55⅞	+ ⅛	
23⅞	13⅞	SouLn			12	20	21⅞	21	− ⅛	
38⅞	30⅞	SourCG 3.50	9.7		10	36⅞	36⅞	36⅞	− ⅛	
25⅞	20⅞	SrcCp pf2.40	9.9		30	24⅞	24⅞	24⅞		
19⅞	16	SoJerIn 1.34	7.3	10	16	18⅞	18⅞	18⅞		
24⅞	14⅞	Soudv s .50	2.5	9	313	20⅞	20	20⅞	+ ⅛	
26⅞	17½	SoestBk 1	4.4	6	6553	22⅞	22½	22⅞		
24⅞	20⅞	SouBnCp 2.14	9.4	9	5807	22⅞	22½	22⅞	+ ⅛	
30⅞	24	SoBnGa s1.70	6.1	10	28	27⅞	26	27⅞	+ ⅛	
65½	44⅞	SNETl 3	5.7	11	57	52⅞	52⅞	52⅞	+ ⅛	
30	25⅞	SoRy pf2.60	9.1		2	28⅞	28⅞	28⅞		
19⅞	7	SoUnCo .20	2.5		170	8	7⅞	8	+ ⅛	
4⅞	2	Sourmk			673	2⅞	2	2		
8⅞	7⅞	Somk pf1.85			10	7⅞	7⅞	7⅞	− ⅛	
14⅞	6⅞	Somk pf.50			316	6	6	6	− ⅛	
20⅞	13⅞	SpnArt .14	.7	12	693	19⅞	19⅞	19⅞	− ⅛	
24⅞	14⅞	SpnGnr 1.34	7.1	9	110	18⅞	18⅞	18⅞		
42⅞	32⅞	SpBell 2.46	5.9	13	1948	42⅞	42⅞	42⅞	− ⅛	
22⅞	16⅞	SpEnr .88	3.3	13	165	17⅞	16⅞	16⅞	− ⅛	
28⅞	22⅞	SwPS 2.20	8.0	11	107	27⅞	27⅞	27⅞	− ⅛	
55⅞	30⅞	Sovran 1.52	4.4	9	422	34⅞	34⅞	34⅞		
12⅞	9	Spain s			78	10⅞	10⅞	10⅞	− ⅛	
24⅞	7⅞	Sprague		15	617	16⅞	16⅞	16⅞	+ ⅛	

12 Month High	Low	Stock	Div.	Yld.	P/E	Sales 100s	High	Low	Close	Ch'ge Prev. Close
30⅞	25	Springs 1	3.3	12	x1216	30⅞	29⅞	30⅞	+ ⅛	
55⅞	45	SquarD 2	4.1	12	705	48⅞	48⅞	48⅞		
70⅞	55½	Squibb 1.60	2.4	16	1602	66⅞	66½	66½		
10⅞	10⅞	StdPnt			622	14⅞	14⅞	14⅞	− ⅛	
22⅞	13	StdOil s .48	2.8	13	22	17⅞	17⅞	17⅞	+ ⅛	
8⅞	4⅞	StPacific .40	4.6	5	73	8⅞	8⅞	8⅞		
18	11⅞	Stanlee .32	2.3	19	18	14⅞	14⅞	14⅞	− ⅛	
12⅞	7⅞	StdPac 1.20e	8.8	6	168	12⅞	12⅞	12⅞		
31⅞	20⅞	StdPrd .80	2.9	9	164	28	27⅞	28	+ ⅛	
24	13⅞	Standen .80	3.0	17	149	20	19	20		
21⅞	12⅞	Stanhm s.68	3.7	10	x146	19⅞	19⅞	19⅞	+ ⅛	
31⅞	25⅞	StanWrk .96	3.7	11	479	26⅞	26	26⅞		
28⅞	18½	Starrett s .64	2.7	11	x1	24⅞	24⅞	24⅞		
17⅞	10⅞	StateStr 1.12a	11.		10	10⅞	10⅞	10⅞	− ⅛	
13⅞	8⅞	StatBcp .80	7.8	11	26	10⅞	10⅞	10⅞	− ⅛	
17⅞	14⅞	StrKin s		4	135	15	14⅞	14⅞	− ⅛	
12⅞	10⅞	StdVC pr 1	9.1		x200	11	11	11		
6⅞	5⅞	StlInl			150	4	6	6	− ⅛	
73⅞	66⅞	StoneW 2.40	3.4	14	68	70⅞	70½	70⅞	− ⅛	
20⅞	14⅞	StorMac s .36	1.2	6	1466	29⅞	29⅞	29⅞	− ⅛	
8⅞	5	StorMs			78	5⅞	5⅞	5⅞	− ⅛	
10⅞	10⅞	StorSq 1.40	13.	11	93	11	10⅞	10⅞		
8⅞	7⅞	StorTch			35	8⅞	8⅞	8⅞		
19⅞	12	StraMrt 1.92e	14.	7	22	16½	16⅞	16½	− ⅛	
35⅞	14⅞	StriderR .80	2.1	13	319	38⅞	38⅞	38⅞	+ ⅛	
6⅞	5⅞	StwRth			105	6⅞	6⅞	6⅞	+ ⅛	
8⅞	7⅞	SunChk 1.16e	12.	9	121	9⅞	9⅞	9⅞		
10⅞	6⅞	SunEl .60e	.4	64	365	14⅞	13⅞	14⅞	+ ⅛	
17⅞	11⅞	SunEsg 1.28e	11.		148	11⅞	11⅞	11⅞	− ⅛	
26	23⅞	SunEpr n1.23	4.5		628	26⅞	26⅞	26⅞		
33⅞	25	SunCo n1.80	5.6		494	32½	32⅞	32⅞	− ⅛	
56	37⅞	Sundstr 1.80	3.7		783	49	48½	49⅞	+ ⅛	
6⅞	3⅞	SunMic			1247	3⅞	3⅞	3⅞		
9⅞	6	SunM pf1.19	14.		66	8⅞	8⅞	8⅞	− ⅛	
24½	17⅞	SunTrst .76	3.8	9	749	21	20⅞	20⅞		
28⅞	18⅞	SupValu .60	2.2	14	740	23⅞	23⅞	23⅞	− ⅛	
27⅞	12⅞	SybITs s		17	288	18⅞	17⅞	17⅞	− ⅛	
12⅞	8	SymsCp		11	68	10⅞	10⅞	10⅞	+ ⅛	
4½	2⅞	Symax 1.20	3.1	16	6657	42⅞	41⅞	42⅞	+1⅛	
36⅞	24⅞	Synalloy .36	1.3	19	855	27⅞	27⅞	27⅞	− ⅛	
9⅞	3⅞	Syntex .20a	2.1	20	90	9⅞	9⅞	9⅞	− ⅛	
		— T—T —								
13⅞	6⅞	TCBY .64	.4	16	1060	10⅞	10⅞	10⅞		
8⅞	6⅞	TCW .64	11.		229	7⅞	7⅞	7⅞	− ⅛	
61	60	TDK .52e		7	31	71	70⅞	70⅞		
24⅞	21⅞	TECO 1.42	6.8	12	229	24⅞	24⅞	24⅞		
13	5	TGIF		23	118	12⅞	12⅞	12⅞		
10⅞	8⅞	TIS n			157	9⅞	8⅞	9	− ⅛	
12⅞	10⅞	TJX .50	2.2	14	684	22⅞	22	22⅞	− ⅛	
32½	17½	TRW 1.40	7.8	4	18	18⅞	18⅞	18⅞		
49⅞	37⅞	TRW 1.72	3.9	11	529	44⅞	43⅞	43⅞	− ⅛	
20	16⅞	TRW pf4.40	2.4		1	180	180	180	− 5	
27⅞	13⅞	TW Svc .10	.4	19	685	25⅞	25⅞	25⅞	+ ⅛	
7⅞	3	TacBt			225	5⅞	5⅞	5⅞	− ⅛	
26⅞	19⅞	Talwin 10.25e			164	26⅞	26⅞	26⅞	+ ⅛	
17⅞	10⅞	Tandy .80	2.0	93	9	15	14⅞	14⅞	+ ⅛	
15⅞	12⅞	Tandon			5	12	12	12		
6⅞	4⅞	Tambrd 2.04	3.6	15	103	56⅞	56⅞	56⅞	+ ⅛	
12⅞	12⅞	Tandem		17	1127	18⅞	18⅞	18⅞		
48⅞	30⅞	Tandy .80	1.6	12	1279	41⅞	40⅞	40⅞	+ ⅛	
18⅞	12⅞	TndyBl		24	70	12⅞	12⅞	12⅞	− ⅛	
13⅞	10⅞	TchSym		13	124	12⅞	12⅞	12⅞		
30⅞	19	Teledyn .60	3.0	27	423	20	19⅞	19⅞		
10⅞	7⅞	Teleom		25	21	1⅞	1⅞	1⅞	+ ⅛	
20	14⅞	Telesr s		16	132	16⅞	16⅞	16⅞	+ ⅛	
348½	280⅞	Teletyp 4	1.2	9	160	332	329	329	− 3	
28⅞	20⅞	Telef 1.15e	5.1	11	9469	22⅞	22⅞	22⅞		
21⅞	14⅞	Telerte .32	2.2	15	283	14⅞	14⅞	14⅞	− ⅛	
55⅞	40⅞	Templl .84	1.8	7	471	47⅞	47	47⅞	− ⅛	
10⅞	10	TmpGG n			72	10⅞	10	10	− ⅛	
10⅞	9⅞	TmpSt s.96	11.		1351	9⅞	9⅞	9⅞		
10⅞	9⅞	TmpVl n			276	9⅞	9⅞	9⅞		
31⅞	20⅞	Tenneco 3.84	6.2		1915	49⅞	49	49		
67⅞	56⅞	Teoc pr 7.40	7.8		4	94⅞	94⅞	94⅞	+ ⅛	
17⅞	10⅞	Tentzyn		41	182	11	10⅞	11	− ⅛	
13⅞	6⅞	Teseco			272	217	11⅞	10⅞	+ ⅛	
25	16⅞	Tesor pf.54			8	16⅞	16½	16⅞	+ ⅛	
52⅞	34⅞	Texaco 3	5.8	13	21813	52⅞	51⅞	51⅞	+1⅛	
4⅞	3⅞	TxAlBc			9	49	3	3⅞	−1-32	
34½	20⅞	TexEst 1	3.3	10	918	30⅞	30	30⅞	− ⅛	
40⅞	29⅞	TxInst .80b	2.7	36	49	30⅞	29⅞	30	− ⅛	
60	34½	TexInst .72	1.9	10	2497	37⅞	37⅞	37⅞	− ⅛	
32	24⅞	TxPac .40	1.5	49	1	30⅞	30⅞	30⅞		
30⅞	20⅞	TxUtil 2.56	10.	7	1337	28⅞	27⅞	28⅞		
7	4⅞	Textl		6	41	5⅞	5	5		
10⅞	9⅞	Textl pf 1	11.		160	9⅞	9⅞	9⅞	+ ⅛	
10⅞	9⅞	Textl pfB			2	9⅞	9⅞	9⅞		
16⅞	12⅞	Textron 1	4.2	6	932	24⅞	24	24⅞		
69	42⅞	Textr pf2.08	4.9		1	51⅞	51⅞	51⅞	+1	
20⅞	12	Thal n			238	12⅞	12⅞	12⅞	− ⅛	

AMERICA

Dow declines after strong rise in retail sales figures

Wall Street

EVIDENCE that consumer spending in the economy remains robust prompted selling yesterday, but share price declines were limited as traders preferred to remain cautious as they waited for today's US trade figures for October, *writes Janet Bush in New York.*

At 2 pm, the Dow Jones Industrial Average was 8.36 points lower at 2,131.22, around the level it had dropped to at the opening in response to news that US retail sales had jumped 1.1 per cent in November, much stronger than consensus forecasts which had suggested a gain of 0.5 per cent.

The strength of the November figure was underscored by a hefty upward revision in October's retail sales to a gain of 1.6 per cent from 0.9 per cent previously reported.

The November data had been expected to show some strength because of strong auto sales. However, even without this component, sales still rose 0.9 per cent.

The financial markets are particularly sensitive to further evidence of strength in the economy because the Federal Open Market Committee is holding a meeting, starting yesterday, to survey its monetary policy stance.

However, with a number of key economic releases still due this week, there was some caution about trading too actively. Volume on the New York Stock Exchange in the morning totalled only 77m, similar to the level of activity during the last three sessions.

Today's trade data are expected to be little different from September's $10.5bn deficit.

Tomorrow sees the release of November figures for industrial production and capacity utilisation which are expected to show that manufacturing production remains strong and capacity usage has risen.

Also published yesterday was the semi-annual report from national purchasing managers. Their assessment was at odds with many other forecasts, with a majority believing that, although economic growth will slow in the second half of next year, growth next year as a whole will outstrip 1988 growth.

Blue chips were generally weaker. International Business Machines lost $¾ to $119¾, Merck edged $⅞ lower to $56½, American Telephone & Telegraph dipped $¼ to $29 and General Electric dropped $¾ to $45¼.

An exception was Procter & Gamble, which edged $¼ higher to $84¼. Another was Texaco, which added $⅞ to $51⅞ after Mr Carl Icahn disclosed that he had raised his stake in the company to 15.9 per cent from 14.8 per cent, confirming speculation that he had been buying stock.

A number of stocks piled on gains on takeover speculation. Bally Manufacturing added $¾ to $22 on rumours that it had received a $30-a-share offer from a European company. Bally declined to comment. SPX jumped $1¼ to $44 on rumours that Gemini Partners is preparing a bid.

A substantial gainer was Borman's, the Detroit supermarket chain, which soared $11⅞ to $24¾ in response to a $27-a-share takeover offer from Great Atlantic & Pacific Tea.

Kysor Industrial gained $3 to $20 after it emerged that a group including New York broker Kaufmann, Alsberg and its parent, Kinder-Care, now held a 8.8 per cent stake in the company and may launch a takeover offer.

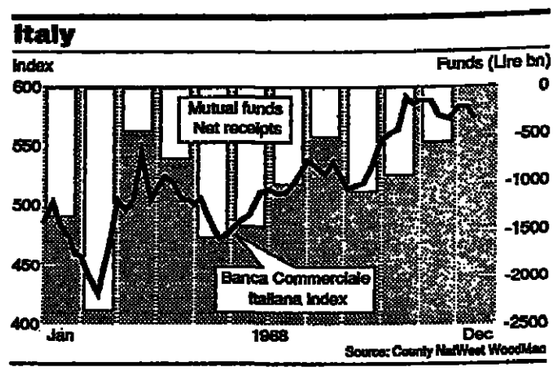
Canada

A SLUMP in base metal issues outweighed gains by golds to push Toronto share prices lower in quiet early trading.

The composite index fell 7.6 to 3,287.7 on light turnover of 6m shares. Varity, which reported higher third quarter earnings on Monday, slipped 5 cents to C$3.30.

Outlook improves for Italy's mutual funds

Redemptions continued to outweigh new sales last month, but the figures are improving, writes **Alison Maitland**



THE ITALIAN market's strength in the second half of the year has so far failed to reverse the flow of cash out of the country's mutual funds, although prospects look brighter following last month's figures.

Redemptions from the funds outweighed new sales of units by L603bn ($470m) in November, a 35 per cent fall from October's L927bn and 47 per cent below the disappointingly large L1,131bn of September, when sales reached an all-time low.

November's figure, however, is less encouraging than the net redemptions of L497bn in March, which sparked unfounded expectations that the long depression in the unit trust business might be coming to an end.

The figures worsened sharply in April and May and net redemptions continued at a high level until a drop in August – which is generally ruled out as an unreliable indicator because of the summer holidays – and then rose again in September before falling back.

Last month's improvement was partly a result of buoyancy in the income, or bond, funds, which saw a virtual balance between new subscriptions at L405bn and redemptions at L424bn. The belief that interest rates would hold steady for the next few months brought greater stability to the government bond market.

The so-called balanced funds, invested in both bonds and equities, had another bad month, however, with new subscriptions totalling L110bn and redemptions L552bn. These funds are now perceived as being "neither meat nor fish", says Mr Paolo Cusmano of County NatWest Securities. Fund management companies are showing less interest in them and moving into new, specialised equity or bond funds, including some which invest abroad.

The equity funds – the third of the three mutual fund categories – fared better, although redemptions still outweighed new sales by L398bn to L256bn. This continued net outflow comes in spite of a 25 per cent rise in the Italian market between the beginning of June and the end of November.

Mr Cusmano says Italian fund managers do not now expect a break-even between redemptions and sales in the unit trust sector until early next summer. The rally in equities has been driven mainly by foreign buyers and Italians remain sceptical about its durability, he says.

"Before this summer, the market had either done very little or had done very badly for the previous two years," Mr Cusmano adds. "Many domestic investors want to see a bit more of a trend before coming back to the market."

At Kleinwort Benson, analyst Mr Enrico Ponzone regards the latest figures as very positive given that November is traditionally a bad month for the market, when investors have less spare cash because they have to pay their taxes.

The fact that mutual fund managers nevertheless bought a net L220bn of bonds and foreign securities showed they believed the outlook was improving. "They wouldn't take a risk if they didn't feel redemptions were coming down," he says, adding that if the market remained firm the funds could break even as early as February or March.

ASIA PACIFIC

End-of-year profit-taking and caution help to unsettle Nikkei

Tokyo

A CAUTIOUS mood set in before the release of US trade figures today and that, combined with an inclination to take profits before the end of the year, turned share prices lower in directionless trading, *writes Michiyo Nakamoto in Tokyo.*

The Nikkei index moved lower in early trading losing as much as 100 points at one stage, but managed to recoup some of its earlier losses, closing down 70.48 at 29,597.81. Declining issues led those that increased by 543 to 322 while 192 issues were unchanged.

Volume was only moderately higher at 771m shares compared with the 597m traded on Monday. The Topix index of all listed shares dropped 3.91 to 2,292.24. However, Japanese shares rose in London trading, with the ISE/Nikkei index up 3.01 at 1,869.65.

Caution in Tokyo stemmed not only from the wait for the US data but from the fact that there were no signs of improvement in the condition of the Emperor. Investors were also particularly reluctant to be caught on the losing side before the market closes at the end of this month for the six-day New Year holiday.

Meanwhile, winter bonuses are reportedly at record levels and there are plenty of investors eager to maximise their funds in order to begin the new year with full pockets. This spurred short-term profit-taking, particularly in low-volume issues.

Those sectors that had seen considerable gains recently as underperformers, such as the pharmaceuticals, shipping groups and insurance companies, were especially vulnerable. Sankyo and Yamanouchi Pharmaceutical each lost Y30 to Y2,130 and Y4,160 respectively. Japan Line, which rose Y19 on Monday, dropped Y25 to Y660.

Trading lacked focus as the market looked for a theme. Shipping companies, which had assumed the role of market leaders recently, were felt to have had their share of the run already, and there was no other sector to take their place. Interest, which continued to be strong in low-priced issues, again began to drift towards shipbuilding companies.

Mitsui Engineering and Shipbuilding, which topped the most active list at 105.4m shares, gained Y27 to Y772. At that low price Mitsui Shipbuilding and Engineering was beginning to look like a fairly good bargain with other heavy capitalisation issues inching towards the Y1,000 mark. The average price for 125 first section issues paying no dividend was Y872, according to a news report.

Steels were also heavily traded, with Sumitomo Metal third in volume terms at 35.9m shares. Sumitomo firmed Y21 to Y782.

Mitsui Mining and Smelting was second most actively traded at 39.4m shares and gained Y3 to Y778. As with other Mitsui companies, it was felt to be an underperformer. The company has featured sporadically on speculation that its plant site in Tokyo might be redeveloped as well as on the strength of the buoyant non-ferrous metals market.

Roundup

LOCAL NEWS and an absence of leads from overseas depressed share trading in Australia and Hong Kong, but activity in the hotel and property sector underpinned Singapore.

AUSTRALIA was hit by the death of Mr Larry Adler, one of the country's best known entrepreneurs, and by foreign selling and a lack of support for the market from domestic institutions.

Imminent US and Australian trade figures kept many investors on the sidelines, and the fall in the bullion price depressed the gold sector. The All Ordinaries index ended 11.9 lower at 1,457.5 in very thin trading of 83m shares worth A$117m.

Mr Adler's death sent the share price of his company, FAI Insurances, tumbling 50 cents to A$2.60 in active trading

HONG KONG continued to be thin, with little direction from overseas markets. The Hang Seng index lost 14.02 to 2,651.92 in turnover of only HK$590m, similar to Monday's HK$585m.

Hongkong Telecom ended 2½ cents better at HK$4.9½ on late buying after falling earlier amid reported arbitrage between Hong Kong and New York, where the newly offered shares, in ADR form, were trading at a discount.

Regal stood out in the hotel sector with a 10-cent rise to HK$2.40 amid speculation that it might sell its hotels at the airport and at Shatin. There were reports of heavy Taiwanese buying.

In constructions, GIC rose 30 cents to HK$19.90. Cheung Kong has increased its stake to 89.2 per cent and extended its offer to minority shareholders until December 30. Cheung Kong lost 5 cents to HK$8.05.

SINGAPORE also saw activity in the hotels sector, following news that King's Hotel had bought 5 per cent of Apollo Enterprise. The rest of the market remained subdued, with the Straits Times industrial index up only 1.11 at 1,002.51 in much improved turnover of 26m shares compared with 12m on Monday. Rises led falls by 73 to 65.

EUROPE

Preoccupation with interest rates spreads

WORRIES spread through Europe yesterday about possible interest rate rises this week, depressing the big markets. Scandinavian bourses focused on domestic company news and speculation, *writes Our Markets Staff.*

FRANKFURT was again preoccupied with whether the Bundesbank would raise the Lombard rate tomorrow and uncertainty over this and the US economic data due today kept many investors on the sidelines. Volume was a feeble DM2.2bn.

The FAZ index showed a midsession fall of 2.18 to 533.50 but the DAX reflected a partial recovery with a drop of only 2.06 on the day to 1,290.63.

Analysts are divided on whether the Bundesbank will change the Lombard emergency funding rate from its present 5 per cent level, although they agree it would not be justified by domestic inflationary pressures. All eyes are on the US discount rate.

VW gained DM3.20 to DM336.20 on its forecast that group sales would grow by 7 per cent to just under DM59m this year and that profits would be better than expected.

Retailers were mixed after sharp falls on Monday. Kaufhof managed to recoup DM7 of its DM16 fall to close at DM363. The German retailers association has revised its October sales figures from a fall of 8.7 per cent to 2.2 per cent.

Deutsche Bank shed DM2.70 to DM537 amid talk that it might announce a capital increase with its 10-month figures today. Deutsche denied press reports that it was talking to Fiat of Italy about selling a stake in Klöckner-Humboldt-Deutz, the engineering company in which it has a big indirect holding. KHD rose DM4.50 to DM127.

Siemens rose DM2.50 to DM497 before news of its joint ventures with IBM.

PARIS was hit by further profit-taking as concern grew about possible interest rate rises. The OMF 50 index lost 3.63 to 412.07.

Investors are worried that bad trade figures from the US today could put pressure on the dollar and the D-Mark, forcing interest rates up in Germany. That would in turn put upward pressure on French interest rates.

Profit-takers fixed their attention again on privatised stocks and Société Générale fell FFr15 to FFr576. CGE lost FFr8 to FFr398.

Defence-linked stocks also fell back after a good run last week. SFIM gave up FFr50 to FFr1530 and Intertechnique lost FFr43 to FFr1457.

AMSTERDAM had a fairly active day, with early gains reversed by news of a 1.1 per cent rise in US retail sales in November, renewing fears of an inflationary buildup. The CBS all-share index shed 0.2 to 100.9 after reaching 101.3 in volume of Fl 493m.

The main excitement surrounded shipping stock Nedlloyd, which closed up Fl 1.20 at Fl 246.20 but off its highs, amid further speculation about a takeover bid from cash-rich Holland America Lines, where Mr Torstein Hagen, Nedlloyd's leading dissident shareholder, is on the supervisory board.

HELSINKI was dragged lower by news of the weekend death of Mr Kari Kairamo, chief executive of Nokia, the world's leading maker of mobile telephones. The market fell by just over 1 per cent with the Unitas index losing 7.9 to 733.0.

Nokia ordinary free shares dropped FM8.50 to FM127 amid reports that Mr Kairamo had committed suicide. One analyst said confidence in the company was under pressure because of concern that it faced onerous problems. Nokia made up some ground in London in after-hours trading while most other blue chips in the market were little changed on the day.

MADRID eased in low volumes, with activity curtailed by the approach of today's general strike and the 1 point increase to 12.4 per cent in the domestic overnight money market assistance rate.

The general index lost 0.39 to 277.70. Banks were little changed, while some utilities continued to benefit from the move towards defensive high-yielding stocks. Catalana de Gas added 10 points to 680 per cent of par and Hidrola put on 1.4 to 93.2.

STOCKHOLM was driven higher by speculation in car maker Volvo and developments at Trelleborg, the industrial group. The Affärsvärlden General index rose 3.4 to 994.9.

Volvo's restricted B share, not available to foreign buyers, added SKr7 to SKr369 on speculation that it was to sell its property in a lease-back arrangement, boosting its liquidity.

Trelleborg climbed SKr1 to SKr279 after Monday's news that it was selling at a healthy profit its stake in ball bearings company SKF, down SKr7 at SKr373.

MILAN ended slightly easier in thin trading consisting mainly of position-squaring before the end of the monthly account today. The Comit index shed 3.77 to 572.31.

BRUSSELS suffered a thin day, enlivened only by a drop in Petrofina shares after their BFr550 surge on Monday. Profit-taking sliced BFr250 off the Petrofina price, which closed at BFr13,600 after more details had emerged of the company's oil discovery in Thailand, putting potential production at 1,500 barrels a day.

The cash market index lost 9.72 to 5,414.50.

SOUTH AFRICA

GOLD shares edged lower in Johannesburg, as trading continued to be very quiet. The market was waiting for some direction from today's US trade figures.

The bullion price was also stagnant in the wait for fresh factors. Vaal Reefs lost R5.25 to R262.75 rand, Kloof dipped 75 cents to R32.50, Southvaal shed R3 to R119.50 and Freegold dropped 25 cents to R28.75.

In platinums, Rustenburg slipped 85 cents to R49.50, while diamond stock De Beers fell 45 cents to R41.65. Mining financial Anglo American eased R1 to R63.50.

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie in conjunction with the Institute of Actuaries and the Faculty of Actuaries

NATIONAL AND REGIONAL MARKETS	MONDAY DECEMBER 12 1988					FRIDAY DECEMBER 9 1988			DOLLAR INDEX		
Figures in parentheses show number of stocks per grouping	US Dollar Index	Day's Change %	Pound Sterling Index	Local Currency Index	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Local Currency Index	1988 High	1988 Low	Year ago (approx)
Australia (90)	143.97	–1.0	115.88	111.61	4.84	145.46	116.63	111.55	152.31	91.16	94.25
Austria (18)	97.74	–0.4	78.67	88.38	2.78	98.10	78.66	88.23	100.00	83.72	93.09
Belgium (63)	134.74	–0.1	108.45	121.79	4.15	134.88	108.15	121.41	139.89	99.14	95.83
Canada (125)	121.07	–0.3	97.44	105.02	3.41	121.42	97.36	105.24	128.91	107.06	109.65
Denmark (39)	155.90	–1.3	125.48	142.70	2.12	157.92	126.62	143.37	159.19	111.42	113.66
Finland (26)	135.21	–1.8	108.83	116.49	1.44	137.75	110.45	118.29	139.83	106.78	–
France (130)	111.87	–0.4	90.04	104.41	3.11	112.34	90.08	104.41	112.34	72.77	83.04
West Germany (102)	87.45	–0.9	70.39	79.13	2.36	88.26	70.77	79.52	88.26	67.78	75.26
Hong Kong (46)	110.44	+0.1	88.89	110.70	4.67	110.33	88.47	110.57	111.86	84.90	78.81
Ireland (18)	130.44	–0.9	104.99	119.70	4.21	131.59	105.51	119.89	144.25	104.60	97.87
Italy (98)	84.88	–0.2	68.32	81.33	2.48	85.04	68.19	81.23	86.73	62.99	75.50
Japan (456)	189.25	–0.8	152.33	146.85	0.51	190.81	152.99	147.45	190.93	133.61	143.87
Malaysia (36)	142.00	–0.3	114.29	146.86	2.89	142.35	114.14	147.10	154.17	107.83	100.18
Mexico (13)	175.18	+0.3	141.00	436.69	1.17	174.59	139.99	435.61	182.24	90.07	114.58
Netherland (38)	110.54	+0.1	88.97	99.11	4.98	110.44	88.55	98.64	111.00	95.23	93.71
New Zealand (25)	65.61	–0.3	52.81	54.40	7.26	65.84	52.79	54.27	84.05	64.42	76.35
Norway (25)	133.16	+1.4	107.18	116.72	2.49	131.35	105.32	114.86	133.16	98.55	100.56
Singapore (26)	119.73	–1.6	96.37	106.87	2.54	121.73	97.60	108.83	135.89	97.99	86.72
South Africa (60)	122.30	–0.5	98.43	99.93	4.63	122.90	98.55	100.43	139.07	98.26	144.26
Spain (42)	149.76	–0.2	120.54	128.48	3.18	150.08	120.34	127.97	164.47	130.73	122.27
Sweden (35)	143.38	–0.7	115.40	128.26	2.23	144.32	115.72	128.57	144.32	96.92	93.63
Switzerland (57)	79.08	+0.1	63.65	71.77	2.37	78.99	63.33	71.54	86.75	74.13	78.89
United Kingdom (316)	133.97	–0.6	107.83	107.83	4.97	134.72	108.02	108.02	141.51	120.66	124.14
USA (577)	112.63	–0.1	90.66	112.63	3.63	112.79	90.44	112.79	115.55	99.19	98.46
Europe (1007)	113.59	–0.5	91.43	97.83	3.83	114.14	91.52	97.91	116.61	97.01	99.00
Pacific Basin (679)	184.16	–0.8	148.23	143.78	0.73	185.66	148.87	144.35	185.81	130.81	139.51
Euro-Pacific (1686)	155.91	–0.7	125.49	125.57	1.65	157.03	125.91	125.95	158.08	120.36	123.33
North America (702)	113.07	–0.1	91.01	112.18	3.62	113.24	90.80	112.34	116.07	99.78	99.06
Europe Ex. UK (691)	100.61	–0.4	80.98	91.86	2.96	101.04	81.02	91.87	101.29	80.27	83.40
Pacific Ex. Japan (223)	123.32	–0.7	99.26	105.17	4.74	124.16	99.56	105.21	128.27	87.51	86.72
World Ex. US (1884)	154.37	–0.7	124.25	124.77	1.72	155.45	124.65	125.14	156.39	120.26	123.08
World Ex. UK (2145)	138.78	–0.5	111.70	121.97	2.05	139.51	111.86	122.28	139.61	111.77	112.52
World Ex. So. Af. (2401)	138.43	–0.5	111.42	120.75	2.29	139.17	111.59	121.05	139.52	113.26	113.34
World Ex. Japan (2005)	113.82	–0.3	91.61	106.85	3.75	114.16	91.54	106.97	115.54	100.00	99.02
The World Index (2461)	138.33	–0.5	111.34	120.61	2.30	139.07	111.51	120.91	139.43	113.37	113.54

Base values: Dec 31, 1986 = 100; Finland: Dec 31, 1987 = 115.037 (US $ Index), 90.791 (Pound Sterling) and 94.94 (Local).
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European Coal and Steel Community

Italian Lire 120,000,000,000
10 7/8 per cent. Bonds due 1993

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Issue Date: 14th December, 1988

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Société Générale

December, 1988

SECTION III

FINANCIAL TIMES SURVEY

Reform has brought a higher standard of living but inflation and corruption have undermined policies. The economic freeze is unlikely to solve these problems. The best hope may lie in the booming economies of the south and east, writes Colina MacDougall

Reforms hit new reefs

CHINA

"WESTERN hotels in China," said the newly-arrived foreign diplomat, taking a deep breath and gazing approvingly round the attractive lobby of Peking's Jianguo Hotel. "How things have opened up since I was here in the 60s and 70s."

Indeed they have. Superficially the old China is hardly recognisable. The skyscrapers, the western suits and the Japanese cars are now commonplace, evidence of the consumer society seemingly around the corner. In the last decade, cultural and individual freedoms have broadened amazingly, and thousands of Chinese travel abroad.

Foreigners freely criss-cross the country, often as lone backpackers. They mix with the locals. They hear criticism of the government and of Chinese traditional attitudes voiced openly in railway carriages or other encounters in a way unthinkable in 1978. This relaxation was launched 10 years ago this month, when the party held a historic meeting at which Deng Xiaoping assumed power, reversing the inward-looking ideology of the previous 30 years. "Seek truth from facts," he proclaimed, as he announced China's "four modernisations" to lift the country out of poverty.

A truly revolutionary policy dissolving the communes and approving private enterprise was launched and foreigners were staggered to be asked to invest in a country which for decades had bitterly rejected capitalism.

December is also the 10th anniversary of Peking's Democracy Wall movement. This was an explosion of repressed demands for a more open political system during which it seemed that the political modernisation many Chinese had yearned for since the end of the 19th century might at last be under way. But despite regular criticism since 1978, even by party leaders, of the "feudal" exploitation of privilege, in this there has been no real change.

The bureaucratic hierarchies which actually run the country are still in place. Wei Jingshen, the Peking electrician who in 1978 wrote the definitive poster on China's "fifth modernisation", democracy, is still serving a 15-year sentence for the trumped-up crime of selling secrets to foreigners.

The Communist Party, ignorant and corrupt as it often is, rules supreme. Decentralisation and industrial management reforms have loosened up the official system, but not the informal bonds of power and privilege.

Initially Deng's economic reform policies were highly successful. The street markets loaded with food and flowers and the shops with TVs and fridges bear witness to that. Private enterprise is thriving. National output and earnings have doubled and sometimes tripled since 1978.

Foreign investment now adds up to billions of dollars. New rural factories contribute spectacularly to the economy. In Guangdong province, at least, there is real promise of emulation of Hong Kong's economic miracle.

But China is facing very serious underlying problems which have grown more apparent each year since the attempt to reform the urban economy was launched in 1984. According to official statistics, inflation this year may reach around 20 per cent, and the true figure may be higher.

Wage gains are eroding. Widespread discontent is reflected in the dozens of strikes – today illegal – reported this year by the trades unions. Shortages of the most basic commodities (salt, for example, last month put on ration for the first time since the communists came to power) are biting into standards of living.

It is certainly arguable, as Professor Fang Lizhi, the leadership's most outspoken critic, has suggested, that the real trend in the economy has been downhill since 1984. If that is true, the leadership, whose only purpose since it abandoned ideology is to make China rich and powerful, is losing its justification.

This perception is compounded by the severe decline in moral and social values. During the year, corruption has grown astronomically, feeding on the shortages in which officials could make huge profits out of speculation. Making money is seen increasingly as the only objective, and worthwhile jobs like teaching are despised because they are badly paid.

While many foreigners argue that this is traditional and in any case no worse in China than anywhere else, it still comes as a shock to many Chinese who believe their ancient and respected culture should have higher standards than that. It also carries hideous overtones of the final days of Chiang Kaishek, who foundered at last because of the moral disintegration of his regime.

The party is further sapped by its current feebleness of leadership. "Deng Xiaoping is an old man now," says one senior diplomat in Hong Kong. "He's only interested in compromise. In any case, he's severely weakened since his protégé Hu Yaobang (previous party general secretary) got the sack last year after the student protests."

Foreigners argue over the currently unanswerable question as to how far Deng and his protégé, the new party boss Zhao Ziyang, lost out to more conservative leaders like Premier Li Peng in last summer's battles over whether to slow reform. But the key fact is that, although some changes are still going ahead, the reform of the price structure, essential to iron out economic distortions, is now on the shelf.

The high-risk, high-gain strategy which was so successful in the early 80s has been abandoned. Many foreigners in Peking believe it would have been impossibly dangerous to continue with price reform this year, but the measures proposed instead to restrict inflation and spread share ownership will do nothing to cure the long-term problems.

Essentially, China still has a peasant leadership which tries to maintain power by control of personal connections rather than through an independent legal system or intangible levers like interest rates and taxes. Mao always despised intellectuals, and the regular campaigns even since Deng took over against intellectual freedoms show how much suspicion remains. "Even the Soviet Union has never continuously destroyed its intellectuals like China has done," says one observer.

The leadership's view of education is underlined by how little money is spent on it. It is true that today economists and social scientists play some role in decision-making, but many of the more creative thinkers have been replaced by party hacks who believe in centrally-applied regulations rather than market forces.

The political reform which has occasionally been promised has been watered down into the streamlining of government departments and a promised system of civil service entrance exams. Since September corrupt officials have been more vigorously pursued, but no one believes this will be effective. The party claims to have retreated from management of the economy, but since senior managers are always party members, the withdrawal is more apparent than real.

While it was unrealistic to think that China's communist party would ever surrender power and privilege ("Those old leaders still see themselves as conquerors," said one experienced observer) thoughtful Chinese recognise that Mikhail Gorbachev may have achieved more glasnost in three years than Deng in 10.

Sadly, China has no Gorbachev, nor is there one on the horizon for the post-Deng years. Premier Li Peng and most of his colleagues are *apparatchiks*, often (as he is) children of the party's old guard. There are dozens more "cadre princes", as the nickname goes, among the top officials of China's provinces and new corporations. If a trend can be discerned for the post-Deng era, it is that China will be run by an inherited aristocracy.

The man who masterminds the economy is one of the old guard himself, 71-year-old Yao Yilin, who joined the party in the early 1930s. Vice-Minister of Commerce in the 1950s, and now Vice-Premier and member of the ruling five-man Politbureau Standing Committee, he was important enough to hold the job of Acting Premier when Li was abroad in November.

The economic and social challenges to the central government come at a time when fragmentation among the provinces is growing. Officials in the south have become accustomed to running their own fiefs, masterminding foreign investment and trade and spending their own money as they wish. This may have undesirable results in terms of corruption but it has created a boom economy which owes little to Peking.

While some Chinese thinkers see this as a sign of the incipient break-up of the empire, it may, in fact, be the one promising indication for the future. However, if the spirit of China's south and east is to be the engine that drives the country into the 21st century without destroying it in the process, Peking will have to establish a more impartial legal and political system.

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The new consumerism, left, photograph from Sally and Richard Greenhill

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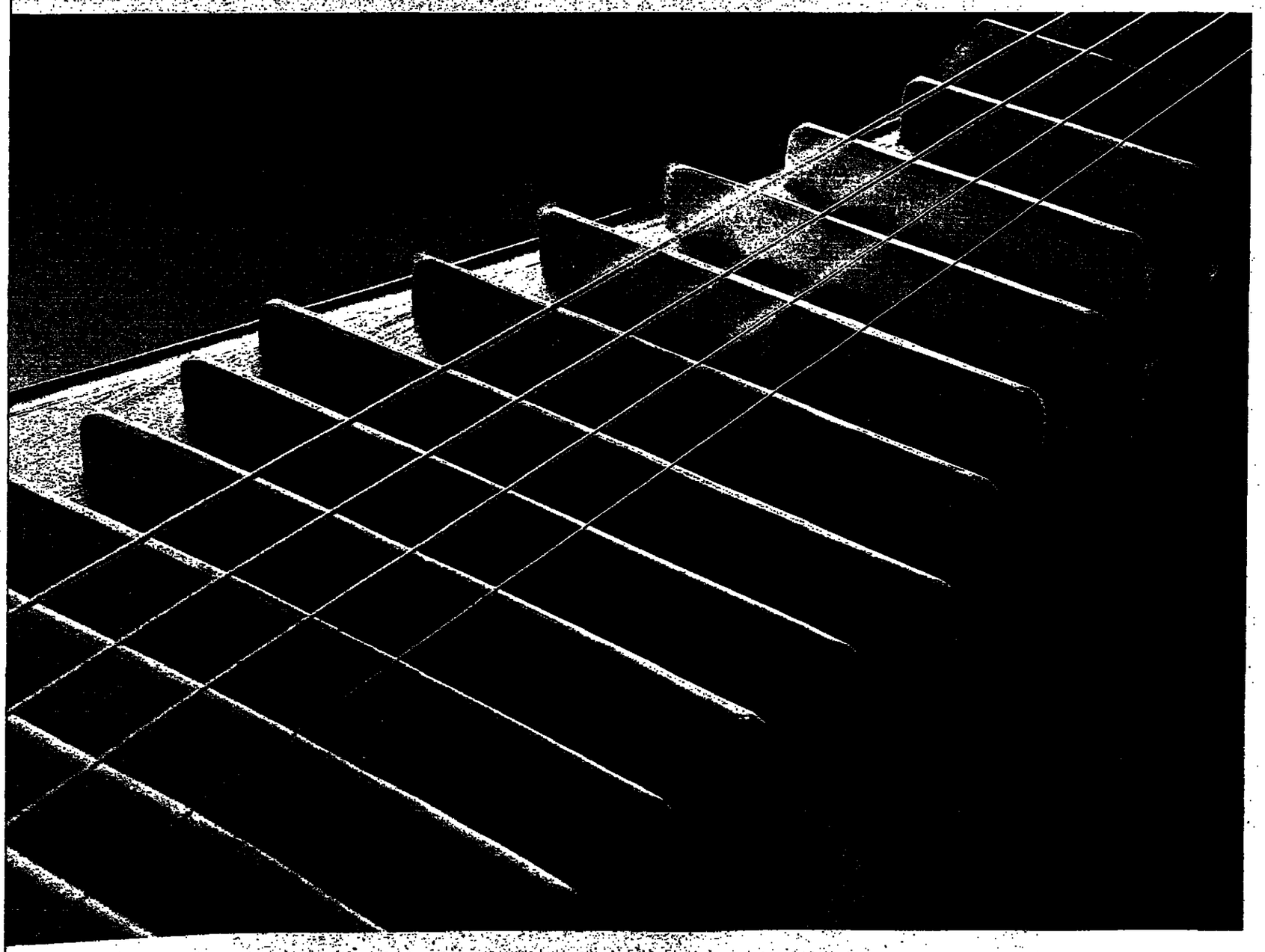

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Peter Ellingsen looks at politics within the country and, right, relations with the rest of the world

The ideological black hole

THE CHINESE Communist Party is facing a crisis, but it has little to do with dissidents or even a definitive power struggle at the top. Mao Zedong would find it bizarre, but the party he helped found from the barrel of a gun, is now being shaken by an explosion of money, not bullets.

Rampant inflation, born out of reforms that have turned China in one decade from a sluggish socialist backwater into the world's fastest growing economy, continues to destabilise the party in a way that protests seldom could.

Who would have thought it possible that a system nurtured on polemic could suffer from a lack of ideology? But that is what the reform process has done and, as a result, the party's once formidable credibility and authority is faltering.

It is not a threat that is likely to, in the short term at least, seriously destabilise the government, or force China back to a closed stance. But within the prevailing economic confusion, lies the potential for turmoil, not necessarily from angry consumers outraged by the price of grain, although with the harvest looking poor this year, that is not impossible, but more from the chaos that can, and earlier this year did, erupt in the party once reform fails to deliver the anticipated benefits.

The problem is, of course, that having eagerly dragged the Trojan horse of western-style economics inside the symbolic walls of Peking, senior cadres have had to bear the odium of 30 per

The party's once formidable credibility is faltering

cent plus cost increases themselves. Unlike the doctrinaire stages of the revolution, Confucious cannot be blamed, or a slogan campaign summoned up to defeat an imaginary foe. With Marxism all but discarded, there is an ideological black hole in which price rises amount to hardship plain and simple, not some noble cause worth the suffering.

This became painfully obvious at the single most important event on China's political calender. It was not the Communist Party meeting in September, the gathering of China's parliament, the *National Peoples' Congress in April*, or any of the regular meetings the cabinet or state council conducts throughout the year that bought matters to a head, but the annual summer bash at Bedaihe beach resort.

It was there that the political nadir was reached when senior leaders fell out over the speed of reform, and looked, for a time, to be on the verge of a schism. The official People's Daily was forced to revise its view several times of Bedaihe and the future it was planning for China because of disagreement among top leaders, and confusion among their followers.

In the four-and-a-half months since then, rumours of party secretary Zhao Ziyang's demise and a Politburo split have given way to a generally agreed batch of re-designed policies and carefully orchestrated optimism.

But, despite the relative sophistication of the party's updated macro-economic remedy to the chaos created by partially deregulated prices, huge obstacles remain, along with doubts about just how effectively the centre can implement its will.

Many fear that by keeping the two-track price system, one fixed by the state, the other by the market, and by cutting back on investment, only a veneer of order will be achieved, and valuable time and momentum will be lost.

There seems little doubt that Zhao, the leader most closely linked with reform, has lost some influence, though little real power, in the shake-out that followed Bedaihe. Even though it was Deng who insiders say forced the party to go for massive price de-regulation, it was Zhao who had to carry out the damage control when consumers began hoarding, rushing the banks and sounding off about shortages. Zhao was cautious about ending price control, preferring first to tackle the supply side of the ledger by lifting efficiency in enterprises, but he was the one perceived to be in charge, so he lost out.

Now, though Premier Li Peng, and Yao Yilin, Vice Premier, play a dominant role in the day-to-day operation of the economy, Zhao remains an important force, speaking out on the direction of reform, and pushing the party line of inflation first.

Several of his personal projects, however, including the promotion of rural industries, have fallen by the way in the rethinking, and that has not helped his position. But no one is now talking about him following his predecessor, Hu Yaobang, into obscurity, if for no other reason than the party's standing could not take the sacking of another secretary.

Evidence of the party's dilemma is everywhere, and all related to the freeing up of controls that once rigidly governed every aspect of Chinese behaviour.

All this has come about because the party has tied itself and its popularity to economic strength. Some observers even go so far as to see national unity as well as national identity now dependent on China's continuing economic power, and raise the spectre of disunity and fragmentation – always China's biggest fear – if the party falters in its bid to propel the country out of feudalism and into the promised modern era.

Without the comforting, debilitating buffer of Marxism to depress expectations and excuse failure, the party can now be pragmatically judged by the goals it has set. As Rui Xingwen, Politburo and secretariat member, explained, "if [we] can't develop through reform and reconstruction, we will not be able to take our rightful place in the world".

It is a theme that has also been hammered by intellectuals, though with a different emphasis, and entirely different purpose. From China's best-known and more outspoken dissident, scientist Fang Lizhi, down, scholars argue for greater intellectual freedom and rule of law as a way of guarding against abuse of power and filling the ideological vacuum. Like the man he has been compared to, Soviet physicist Andre Sakharov, Professor Fang is pessimistic about the reform process, and the promise it holds for political pluralism in China.

"The party," he says, "is up against its biggest crisis, but the leaders don't see it. There is great potential for unrest. In the past they always blamed someone, but this inflation is a direct result of their own centralised planning and control."

Professor Fang, who has been denied permission to travel abroad because of his criticisms, does not think either

Progress cannot happen unless crises are comprehended

Zhao Ziyang or Li Peng will be strong enough to govern the party once Deng Xiaoping goes.

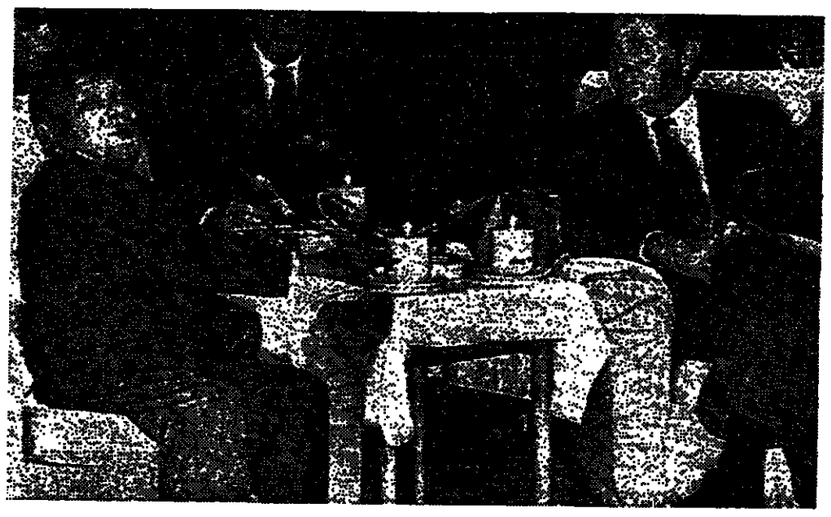
The ferment is echoed by Li Ming, a researcher at the Ministry of Civil Affairs, who is suspicious of the lack of critical discussion accompanying reform. Evoking the controversial television series, He Shang (River Elegy) which critically appraised China's myths of cultural superiority, and which was, for a time, banned by the authorities, he also talks of national crisis. "In China we always put out propaganda that the situation is very good," he said. "Few dare say anything adverse, [and] this absurdity tends to foster a blindly arrogant spirit ... if a society fails to ... comprehend its crises, it will be unable to progress."

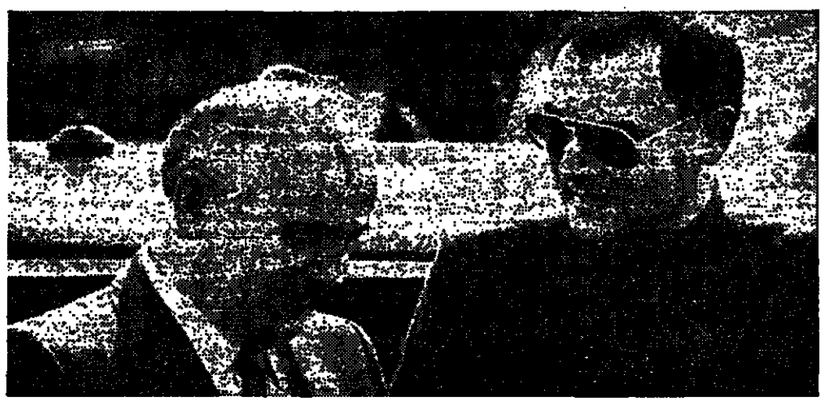
It is a growing theme. Another scholar, Wang Runsheng from the Chinese Academy of Social Sciences points to the ideological vacuum and says China is facing a serious "moral crisis" due to the decline of traditional Confucianism, hollowness of espoused ideals, and lack of values.

In one way or another, this is all the ultimate responsibility of the party. While it is misguided to, as Chinese are nostalgically doing, see the past as some sort of golden era, it is a fact that reform has not been all good.

If reform is to match the rhetoric, so that the 150,000 party members expelled for corruption since 1983 become a memory not a routine, then the party's informal power networks, with all their back-door implications, will have to be replaced by an established body of regulations.

Yao Yilin, left; Zhao Ziyang, right. Zhao, the leader most closely linked with reform, has lost some influence, though little real power. Immediately below, Deng Xiaoping with George Bush. Mr Bush is popular in Peking and is thought likely to be more open to Chinese requests for high technology transfers. Talks with Mikhail Gorbachev, centre, are possible; a visit from Rajiv Gandhi is planned for this month





Pictured above, Noboru Takeshita, right, with Li Peng: seeking to heal old sores with soft loans. Mr Takeshita wishes to invest in China's coastal areas. Left, Qian Qichen, foreign minister. Right, Liu Shuqing, vice foreign minister: 'Both China and the Soviet Union believe a political settlement can be found.' Moscow has already leant on its Vietnamese allies to effect an early withdrawal of troops from Kampuchea, still Peking's pre-requisite for normalisation of relations

Characterised by sense of balance

THE integration that China has tried and so far failed to manage domestically, has largely been achieved in its foreign policy.

For the first time in its 40-year history, the Peoples' Republic can, with perhaps the exception of old foe Vietnam, point to no tangible enemy threatening either its borders or its strategic objectives. There has been little in the way of aggravation from abroad and much that suggests a new and improved era of regional relationships.

The positive developments are many, but a snapshot would include a possible summit between Soviet leader Mikhail Gorbachev and Deng Xiaoping, a meeting that will open up enormous trade and diplomatic opportunities for Peking; the election of China's "old friend" George Bush to the White House; this month's proposed historic visit by India's Rajiv Gandhi; and the desire of Japanese Prime minister, Noboru Takeshita, to heal old sores with soft loans.

Taiwan, of course, remains a thorny issue but, even here, a thaw has been occurring with reciprocal visits between the mainland and Tapei happening for the first time. In fact, the sense of relative balance that now characterises China's relations with the rest of the world, and remains noticeahly absent in its internal politics, is the best outcome yet recorded by the reform process.

That this has been achieved with a minimum of pain, and little in the way of concessions from Peking, is only

Economic pragmatism has swept away stubborn differences

partly due to China's legendary diplomatic finesse. More important have been the policies and conciliatory needs of the big three, the US, Soviet Union and Japan, and the economic pragmatism that has tended to sweep away stubborn historical and ideological differences.

This spirit of *rapprochement* is not only clear in new alliances springing up in Asia-Pacific, but in the confident and commanding way China has been able to dictate the pace of *détente* with its once hostile and estranged neighbours.

The biggest event, of course, is the thaw with the Kremlin, and what that will mean for regional relationships. Peking has been coy in the way it has gradually warmed to Mikhail Gorbachev's wish for a summit with Deng, and determined that any meeting will be premised on what China sees as progress on the Kampuchean issue.

Moscow has already leant on its Vietnamese allies to effect an early withdrawal of troops from Kampuchea, still Peking's pre-requisite for normalisation of relations, and can be expected to continue to do so. Most signs point to a May Sino-Soviet summit in Peking. As vice foreign minister, Liu Shuqing noted in a recent interview: "Both China and the Soviet Uion believe a political settlement can be found."

A reconciliation, no matter how tentative, between the two communist giants, has enormous implications, and has already led India, for example, to re-affirm its links with the Soviet Union and declare, optimistically perhaps, that a Marxist re-alignment in Asia will not in any way effect its position.

Analysts looking further ahead wonder whether China will be able to play Washington off against Moscow to obtain high tech, including sophisticated military transfers. By normalising ties with Moscow, Peking stands to receive not only technical input, without the big brother overtones of the 1950s, but a huge boost in the already significant border trade. The undermanned Soviet Far East also offers valuable employment opportunities for China's northern provinces.

But most important of all, if, by shaking hands with Deng, Mr Gorbachev comes to view Vietnam as a useful but peripheral ally, China will have moved towards a resolution of an old problem. Without Moscow's support Hanoi is likely not only to pull out of Kampuchea, but prove less aggressive on border disputes.

With so many loose cannons still creating havoc in its internal restructuring, China's foreign posture is, with a couple of exceptions, centred on economic co-operation, rather than political point-scoring.

Peking neatly glossed over the still strongly-felt anti-Japanese sentiment when Tokyo proffered a $6bn package of soft loans earlier this year. Despite the refusal of some Japanese politicians to acknowledge past horrors, like the rape of Nanjing, Deng and Communist Party chief, Zhao Ziyang, were happy to embrace Prime Minister Noboru Takeshita's wish to invest heavily in China's coastal areas.

There was even the hint that, with Peking now prepared to countenance capital from South Korea, Japan had better increase and speed up its investment, or miss out on one of the last, and certainly the biggest, low cost labour forces in Asia.

True to the prevailing spirit of pragmatism, last month a senior Chinese trade official explained, in a comment picked up and sent around the world by the New China News Agency, that, "South Korean businessmen are encouraged to invest in the development of *badly-needed* Chinese industries, such as energy, transportation, raw materials, high tech, and exports."

The admission of direct trade links with Seoul has not pleased China's socialist ally on the peninsula, North Korea, but it has not created any real problems either. Again, to quote vice foreign minister, Liu Shuqing, "North Korea is certainly concerned about this development, but they express great understanding." Liu makes it clear Peking is unlikely to establish diplomatic links with Seoul in the short term, but with trade and investment, both direct, and through the Hong Kong back door, booming, it does not matter.

It suits China to have South Korean *money without the complication* of normal ties, an arrangement that does not apply, however, to another neighbour and member of the so-called four little (economic) dragons, Taiwan. Tapei has been pouring money into the mainland via Hong Kong for some years, but it is only recently that both of the regimes claiming to be the real China, dropped their prohibition on free travel, a move that saw more than 300,000 Taiwanese visit the mainland this year.

With indirect trade between the two now at about $2bn annually, China is getting much of the economic input it requires, but not the diplomatic co-operation. As vice foreign minister Liu, says, it is only a partially satisfying result: "Taiwan is still stressing its so-called non-contact policy, and imposing restrictions on contact, but it is

There is Sino-US tacit agreement on many regional concerns

possible this situation will improve. I hope we can settle this question according to the one country two-systems formula."

The formula, devised by Deng to facilitate the reintegration of Hong Kong in 1997, is less appealing to Taiwan which, unlike the crown colony, need not go along with Peking's wishes.

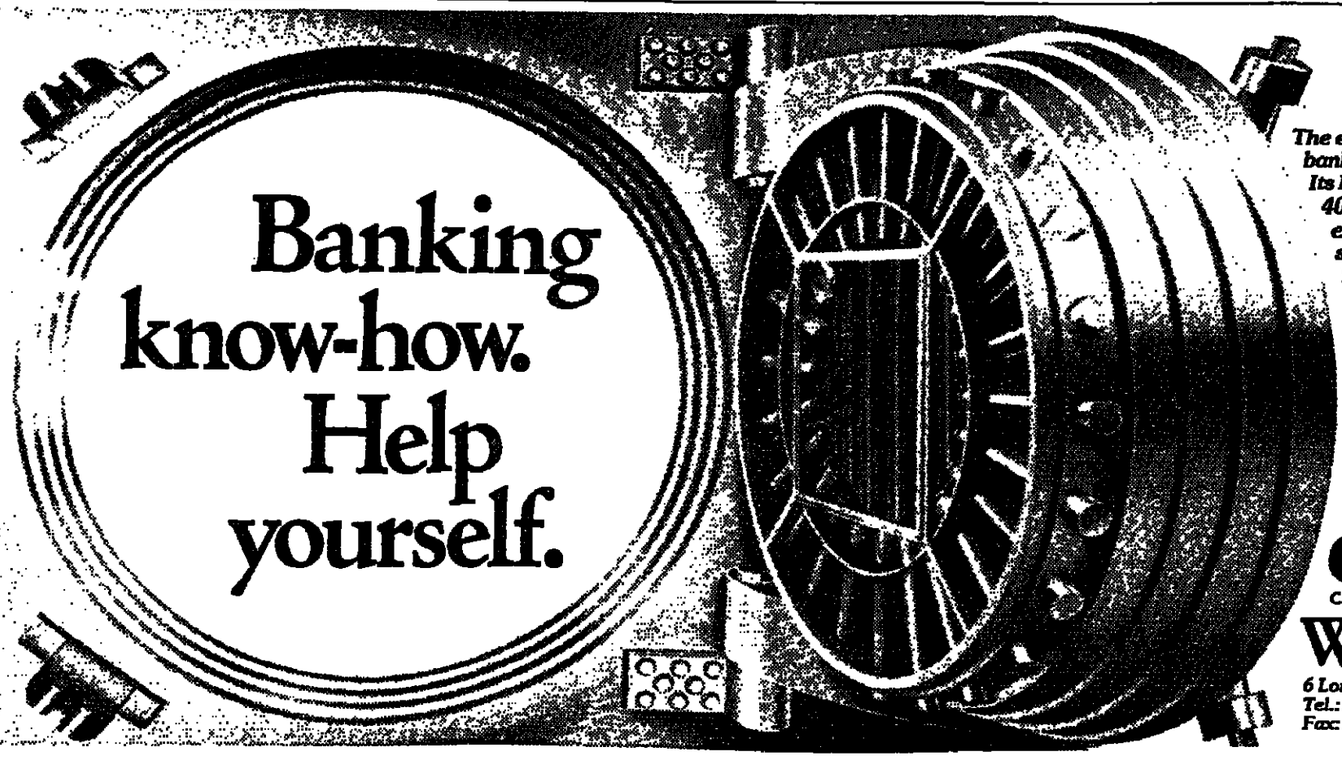
But with the prospect of the former chief of the US liaison office in Peking, George Bush, taking over as US president, these are small irritations. Mr Bush, who was in China from 1974-75, and again in 1977 and 1980 when he met many senior leaders, including Deng, is popular in Peking, and thought likely to be more open to Chinese requests for high technology transfers.

Despite substantial differences over Taiwan, arms sales to the Middle East and assorted third world issues, Sino-US relations have been improving with tacit agreement on many regional concerns including, in general terms, Kampuchea, and US military bases in the Pacific.

China relations with the Association of South East Asian Nations (Asean) has also been on the upswing, with trade between China and Asean increasing 36.5 per cent this year, which is three times the rate of increase in trade between China and Japan and Europe.

As part of the trend toward closer economic and diplomatic ties with developing countries, China also lifted its trade with Gulf nations by one third. Despite its lucrative line in selling arms, China is, as its changing network of alliances and links indicates, following market forces in its foreign policy, if not in its domestic regulations.

Ayer



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Colina MacDougall explains how economic reform has been thrown off course

Turnabout brings recentralised controls

"WE'VE grown a few more grey hairs over the past few months," said Hong Yuncheng wearily. Spokesman for the People's Bank, the central bank, he was explaining how China had faced an astonishing outbreak of economic and social problems this year which threw the reform policy off course and even seemed to shake the leadership.

"Aggregate social demand exceeded aggregate social supply," he proffered as a diagnosis of the late summer rocketing of prices. This insight is always true of China, though demand has hitherto been held in check by the remnants of the country's planned economy.

But the widening decentralisation of economic powers this year gave consumer spending a huge push. Inflation this year is around 17 per cent or more, while in Guangdong, China's fastest growing province, it is estimated at 40 per cent. The obvious decline in the value of money launched the runs on the banks and panic purchasing which afflicted China in the late summer.

A degree of paralysis affected Peking's leaders as they debated what to do in a series of meetings in August and September. Finally they plumped, with apparent unanimity (though many Chinese, as well as westerners, believe there was an unholy row in which reformer Zhao Ziyang, the party general secretary, lost out) for freezing their proposed reform of prices for two years. They settled instead for a period of renewed central control to "improve the economic environment and rectify the economic order". While a few reforms, such as freeing the enterprise management system, are due to continue, this will mean recentralising control over a huge range of activities.

This was a drastic turnabout from earlier plans. China's economy is totally distorted because many prices, set 20 or 30 years ago, are unrelated to costs ("the more oil China produces, the more money it loses," observed one Hong Kong diplomat). The need for price reform has been recognised by the party since at least 1984.

Though this policy was soft-pedalled last spring because inflation was already causing concern, Deng Xiaoping himself put his weight behind it in the early summer. "We are determined to take this risk," Deng said, speaking of price reform at a June seminar in the Great Hall of the People. "It is better to bear short-term sufferings than long-term ones."

Hong Yuncheng: 'Forced to pump more money into the market'

A five year plan for price reform was compiled which, says Lu Yonghua of the Commission for Restructuring the Economy, would have allowed prices to rise 80-90 per cent and wages 100 per cent. But before it was launched, the underlying problems in the economy burst into full view.

Industrial growth soared (17.5 per cent up in the January-September period over the same months last year – planned growth was only 8 per cent). Decentralisation of the trade structure allowed previously restricted local organisations to export, and the lure of acquiring foreign exchange diverted items like scrap steel abroad, adding to domestic shortages and boosting prices.

Power generation could not keep up. Raw materials costs rocketed. The growth of local industry meant that efficient factories such as Shanghai's textile mills found the cotton and silk they needed were mopped up by poor quality town and village enterprises. Black markets developed through an impressively entrepreneurial manipulation of China's current "two-track" price system.

This system, initially a sensible reform allowing enterprises to sell on the free market anything they produced above their state-set quotas, swiftly attracted officials on the make into buying at or near the state price and reselling on the free market, often at twice or three times the price.

One factory simply stopped work, making a living by selling off its allocations of state-priced steel to the highest bidder. With state-priced steel at yuan 890 a ton and free-market steel going for yuan 1,800-2,000, all over China companies were profiting hugely.

Steel, aluminium and coal grew desperately short. Aluminium ingots were changing hands half a dozen times as companies sought to make a quick buck before letting them go to the end-user. Coal from Datong which cost yuan 30 a ton where it was mined in Shanxi province was fetching more than 10 times that in south China.

A Chinese journalist, describing the frustrations of coal purchasing officials, noted that bribes such as silk quilts, tins of Nescafe and crates of oranges used to be enough, but now jewellery, colour TV sets or even cash were needed. Said one purchaser bitterly: "They asked me casually whether any 'old comrades' came along with us, and I knew what they referred to was 100-yuan bills, on which four old revolutionaries are pictured."

Much of this new commerce used borrowed cash, pushing up money in circulation in the first half year by nearly 36 per cent. Of China's 400,000 trading companies, 100,000 were in on this kind of business. Units with money to spend bought cars, gave exotic dinners and launched a damaging construction boom by building themselves hotels and leisure centres.

Nationally, workers' wages in the first half year went up by over 17 per cent and bonuses by almost 50 per cent. Unsurprisingly, pushed by wage rises and the new prosperity of enterprises, consumption funds rose by over 27 per cent. Again not surprisingly, the People's Bank began to recognise by the end of April that it had a problem, since it has no real powers to restrict borrowing or call in debt. "We were forced to pump more money into the market," says Hong.

Food prices flew up. Costs of diesel and fertiliser had risen sharply, and farmers needed to recoup their expenditure. Unrationed grain (the surplus farmers produce above their fixed quotas) and vegetables sold on the free market became very expensive.

A real food shortage is now on the cards. The low prices the government pays to farmers for grain, plus the indifferent weather, has meant stagnant grain harvests since 1984. Some 80m people face food shortages, and 20m possible starvation this winter, the China Daily has reported. While some officials talk of raising the grain price paid to farmers next year, others look glum and point out the inflationary consequences.

"China has currently got the worst of both worlds – an entrepreneurial culture brought in by Deng on top of a traditional and Maoist bureaucracy," says one diplomat. Decentralisation has given enterprises freedom, while the centre has failed to set up the instruments to control them. Peking has not fulfilled its 1984 promise to strengthen the banking system, taxation is rudimentary and, according to Lu, evaded by 98 per cent of enterprises.

Peking's reaction to the admittedly worrying events of the year has been to slap on the kind of direct controls it was earlier dismantling. Loans are to be frozen, and industrial growth reduced to a fraction of its present rate.

Prices of food and major raw materials have been curbed by administrative fiat. The price-setting authority of the localities has been frozen. Inspectors have been sent out to check on tax collecting, institutional spending and speculation. One sample of the clumsy bureaucracy this will regenerate is that every transaction between enterprises over yuan 30 (under £5) now has to be made through a bank.

There is no sign that these measures will be successful. China's provinces, especially Guangdong, have in recent years taken enthusiastically to flexing their own economic muscle. The central government is employing the might of the party's discipline structure to bring unwilling officials into line, but it has no effective teeth.

The new controls risk damping industry to a point where revenue (80 per cent generated by state enterprises) could sink to a dangerous level. They will damage the most buoyant sector of the economy, the rural collective enterprises. Chinese officials say that even when price reforms reappear on the agenda they will only be applied to goods in over-supply, which offers nil inducement to step up productivity.

"The Chinese government has not addressed the real causes of inflation, such as the rise in wages," commented one diplomat. "Nor has it abolished the biggest cause of corruption, the two-track price system," noted another.

These omissions, plus the likely failure of its administrative controls, suggest that resuming any meaningful reform is likely to prove impossible. In the meantime, real economic growth may evaporate, bringing unpleasant consequences for a population now geared to expect steadily rising standards of living. This may, in the end, be as dangerous for the leadership as the now-shelved price reform.

Economic indicators

	1988 (estimates)	1987	1986	1985
GNP (bn yuan)	1,300**	1,092	1,001	-
National income (bn yuan)	1,110**	915	779	676
Grain (m tonnes)	400*	402	391	379
Cotton (m tonnes)	-†	4.2	3.5	4.1
Steel (m tonnes)	59	56	52	47
Coal (m tonnes)	-	920	870	850
Oil (m tonnes)	140-150††	134	131	125
Electric power (bn kWh)	540**	496	445	407

Sources: **Under 400*: Vice Premier Yao Yilin; †*Under 1987: interviews with officials; ††*Under 140-150*: interviews with officials; **Vice Premier Yao Yilin; 1985-87 State Statistical Bureau

Relations with Hong Kong

Voting with their feet

THE PEOPLE of Hong Kong have little faith in the rulers of China. As the date for the British hand-over of sovereignty in 1997 grows nearer, and China increases its indirect influence over the colony, this lack of faith – and maybe fear – is being demonstrated by the large numbers who are hurrying abroad to secure passports to give them the option of an alternative life in countries such as Canada and Australia.

Yet the economic interdependence of Hong Kong and the southern regions of China, especially the adjacent province of Guangdong, is increasing dramatically in terms of trade, industrial processing, communications, and free flow of Hong Kong's currency. Some businessmen even argue that long before 1997 the two areas of Hong Kong and Guangdong will have become almost inseparably inter-dependent.

Martin Lee: critic

Those same Hong Kong businessmen, however, who are cashing in on Guangdong's cheap land and labour to produce their goods, are, at the same time, expressing their distrust of Peking by joining the net total of over 45,000 people who this year are expected to leave the colony to obtain foreign passports and better living conditions and education for their children abroad.

The insecurity stems from the fact that these people are already refugees from China. "They or their families have already run away from the Communist regime once, hence their reaction now they are to be brought back into a China which is making it clear that Peking wants to control them, and will be able to do so," says Mr Martin Lee, a senior lawyer and public figure who is Hong Kong's most outspoken public critic of Peking.

Recent talks between China and Hong Kong interest groups on the draft Basic Law which will govern the colony when it becomes a Special Administrative Region in 1997 have not done much to quell the fear that Peking's rulers cannot be trusted to stick to their word and leave Hong Kong free to operate as a prosperous, internationally important, regional entrepôt and financial centre.

There is little doubt that the reformers in Peking want and need Hong Kong to stay prosperous because this will help with the gradual opening up of China's economy. It would also be a serious loss of face for China's rulers if they did not manage to keep Hong Kong in the prosperous style developed by the colonial British.

Nevertheless, there is a deep-rooted fear that Peking's wish to exert influence will undermine the colony's economic self-confidence and and so lead to a down-turn, even if the trappings of slowly developing democracy are not themselves upset.

In Hong Kong there are basically two views. There are the liberals, led by Mr Martin Lee, who argue that the Basic Law should contain as much democracy as possible, first because they believe in democracy for its own sake, and second because it would be the best bulwark against intervention by Peking.

Then there are local Chinese businessmen – broadly backed by the British and Hong Kong governments – who believe that nothing should be done which will upset the colony's economic prosperity, even if this means accepting Peking's wishes to slow down democratic reforms. That means doing everything possible to ensure a smooth transition of power on the night of June 30-July 1 1997. This, in turn, means designing systems which will not lead to disruptive clashes between Hong Kong and the Chinese capital.

The way that the Basic Law has emerged from recent drafting sessions in the southern Chinese city of Canton shows that the latter businessmen-cum-government view is prevailing. Considerable concessions have been made by Peking on Hong Kong's freedom to interpret and apply laws after 1997. Provisions have also been agreed for the colony's Legislative Council, which will be elected in 1995 under British rule, to continue in the new SAR government from 1997 to 1999.

But Peking seems determined to control who becomes the region's first chief executive – the successor in 1997 to the British governor – and has delayed introduction of a fully

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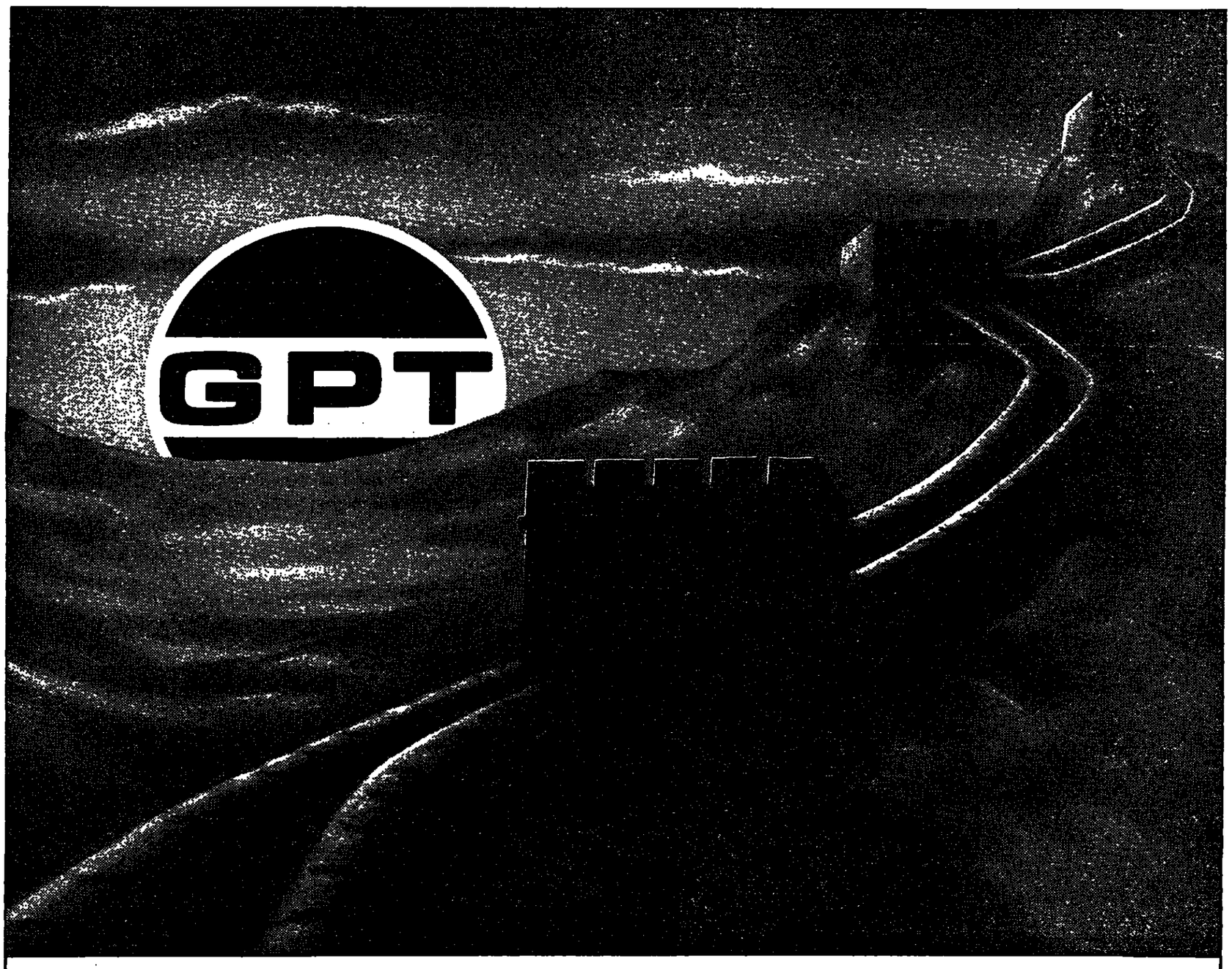

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FOREIGN INVESTMENT

A difficult first phase is drawing to a close

CHINA'S international appeal as a home for foreign investment has recovered somewhat during the past 18 months. This follows serious setbacks in late 1984 and 1985 when companies working in the country ran into major difficulties, especially over availability of foreign exchange, and the pace of new investment slumped.

In the first nine months of this year, a record total of over 3,100 foreign investments were approved by the Chinese government, twice the number in the same period last year, according to figures issued by the Ministry of Foreign Economic Relations and Trade.

More than half were joint ventures, usually involving equity stakes of 50 per cent or more. Exports from the ventures more than doubled in the first half of the year to $570m and are expected by the Ministry to reach $1.5bn for the whole of this year.

Peking has said repeatedly in recent weeks that foreign investment projects – apart from non-essential areas like hotels – will not be affected by the current economic cutbacks. This probably means that ventures already going ahead are safe, but there could well be a slow-down in approvals during the coming months while the bureaucracy adjusts.

Although almost every joint venture still has problems and grumbles, this year's figures show that China is emerging from the first difficult phase of its post-1979 opening up to foreign investment.

To begin with, in the early 1980s, there was a sharp clash of interests between China which basically wanted foreign investment to open up export markets, while many, if not almost all, the foreign companies involved wanted access to the 1bn people in the world's largest untapped market.

This dichotomy of interests led to major problems centred around the availability of foreign exchange which China – unrealistically as it now acknowledges – wanted each venture to generate internally for its own severely restricted needs.

Now the government has adopted a flexible approach when negotiating investment contracts so that, for example, a Volkswagen joint venture in Shanghai can obtain all the foreign exchange it needs at the official rate, while other companies with less clearly defined needs can top up their requirements in Foreign Exchange Adjustment Centres at the more expensive "grey rate" (see foreign trade article).

"They are no longer saying you must yourself earn overseas all the foreign exchange you need," says one foreign observer. "Instead they are saying that the only limitation is the ability of the foreign joint venture sector as a whole to finance these purchases.

Government initiatives have eased problems such as prices, customs duties and recruitment

Equally, if you make excess foreign exchange, as hotels can, you can double your domestic profits by selling *your surplus foreign exchange* at the nearly-double-value market rate."

There have also been other government initiatives which have improved access to bureaucracy and eased such problems as prices, customs duties and recruitment of labour. Liu Xiangdong, spokesman of the Ministry of Foreign Trade in Peking, says companies have also been helped by the completion of 270 new laws and regulations which have clarified rules affecting their operations, and by the negotiation of Investment Protection Agreements with 22 countries and double taxation agreements with 20 countries.

But life is still far from easy. Only Overseas Chinese companies from Hong Kong and Macau, which have low-investment processing operations in Guangdong Province using China solely as a source of cheap buildings and labour, expect to make quick profits.

Managerial problems abound. "The problem is to keep the quality going," is a common heard complaint. "The staff have no pride in their work and there is no concept of 'belonging' towards your uniform, equipment or tools," says a hotel executive.

"With bought-in goods, the problem is to get consistent quality – one day a firm delivers good products and the next week it's all rubbish," says a car plant manager. Another adds: "Our Chinese partners don't understand the need to spend money on spares and extras to make things work properly – there is no concept of preventive maintenance."

The Ministry's total of over 3,100 investments approved in the first nine months of this year compares with 2,233 worth $3.7bn in the whole of last year when there were 1,395 joint ventures with partial equity stakes. There were also 46 ventures wholly owned by foreign investors, and 789 co-management enterprises where a foreign company and Chinese partner link up with technology, finance, and management in a less formal arrangement than an equity joint venture.

In the previous record year of 1985, a total of 3,069 approvals worth $5.5bn included 1,412 joint ventures, 46 wholly owned projects, and 1,611 co-management enterprises. The total dropped to 1,492, worth $2.7bn in 1986, recovering to 2,233 last year.

A majority of the projects – 1,690 in the first half of this year – have overseas Chinese living in Hong Kong and Macao as partners. Companies from the US and Japan lead the list of fully-foreign investments, with about 85 project approvals each in the period January to June this year.

It is too soon to draw firm conclusions from the figures which only track the progress of investments approved, not the actual number of projects starting work. But it appears that there is a growing interest in 100 per cent foreign owned ventures, rather than joint ventures shared with a local partner.

Some foreigners say a partner is essential to make contact with the bureaucracy, to *help find labour and scarce* materials, and to ease access to domestic consumer markets. Others suggest that a partner is less necessary now than in the early 1980s because of the improved political environment, and that the freedom to manage alone in one's own style is an overriding advantage.

But it is also argued that a partner is more necessary the further one moves away from the friendly southern province of Guangdong where *operations are cushioned by* easy access to Hong Kong.

Partners can help ward off unfriendly attacks such as wide publicity given to a recent minor food hygiene case registered against the 100-per cent foreign owned Shanghai Hilton Hotel (10 per cent owned by Hilton and 90 per cent by Hong Kong traders). "I think it might have been because we are wholly foreign owned and the Chinese feel they have a certain loss of face and control and so want to get in here somehow," says Mr Heinz Schwander, the hotel's general manager.

John Elliott

John Elliott examines the trade figures

Decline in export growth

CHINA IS likely to have a trade deficit of about $5bn this year, compared with $3.7bn last year. This follows a decline in the country's dramatic export growth of the past couple of years and a steep rise in imports during the past few months.

Official customs figures, which are the best guide to the country's trading performance, show that export growth slowed from 24.1 per cent in the first half of this year to 20.2 per cent in the third quarter, while import growth rose from 24.3 per cent to 34.4 per cent in the same periods.

This pushed a $1.2bn trade deficit for the first six months up to $2.2bn in the third quarter, making a $3.4bn deficit in the first nine months. Local observers estimate that this total will rise to $5bn or more *for the full year.*

A current account deficit of around $3bn is then likely after invisible earnings – including tourism which is rising at about 25 per cent a year – are taken into account. Last year's current account deficit was much lower at $300m.

This is not regarded as a crisis in balance of payments terms, but it does curtail policy options open to the government because it illustrates China's problems in restricting imports at a time of rapid economic reform. It also shows how difficult it is for China to sustain the remarkable export growth of over 30 per cent in recent years.

Different sets of figures are produced by the Ministry of Foreign Economic Relations and Trade in Peking, but these are compiled from a narrower base than the customs' statistics and are not considered to be as reliable by either the Government or diplomatic observers.

Liu Xiandong, the Ministry's spokesman, says that in the first nine months of this year exports rose by 14.1 per cent above the same period last year, while imports grew much faster at 26 per cent. But he argues that seasonal fluctuations are expected to iron out the widening deficit by the end of the year and produce a "small surplus".

He expects the official 1990 target of $38bn exports to be exceeded next year, compared with $34.7bn last year, despite the country's serious problems of inflation and shortages of raw materials.

In an attempt to curb imports the central government last year forced through sharp curbs on the influx of luxury items such as cars, TVs, fridges and other consumer durables which had escalated out of control.

Currency swap shops are legalising the country's virulent currency black market

The export growth has been led by textiles and by the machinery and electronics industries, which have achieved a 70 per cent increase from a very low base. This follows relaxations of foreign *exchange arrangements which* have acted as a partial devaluation for these and other sectors and have helped to boost foreign-owned and joint venture industrial companies' export earnings by more than 100 per cent at $570m in the *first half of this year,* according to the Ministry's figures.

Electronics and machinery exporters who exceed their quotas have, from this year, been allowed to keep all their surplus foreign exchange instead of having to hand over 75 per cent to the government at the official rate of exchange. All other industries have been allowed to keep 80 per cent from this year, apart from light engineering, textiles, and arts and crafts which will go up next year.

This ends geographical variations, apart from Tibet which can keep 100 per cent. It also reduces special treatment provided for the country's four Special Economic Zones where companies up to now have been able to keep 100 per cent and now drop to 80 per cent.

The changes mean that the electronics and other companies (apart from those in the four Zones) have more foreign exchange to use abroad. They can also go to Foreign Exchange Adjustment Centres – known as the "grey market's swap shops" – and officially sell their surplus foreign currency for local yuan at something approaching black market rates, so doubling official values.

The export earnings are *therefore almost doubled by* using this parallel foreign exchange market, while joint ventures have far more flexibility to run their businesses.

Initially companies had to go personally to the swap centres to do deals under the aegis of the State Administration of Exchange Control. But now they discover which other companies in their localities are regularly in the market – for example foreign exchange-rich hotels – and they strike direct deals by telephone, reporting them later to the State Administration.

These currency swap shops which have opened in most major cities during the past 20 months, are legalising the country's *virulent currency* black market. The government is tacitly accepting that it needs two exchange rates: one official for internal use, which cannot be devalued because of the economic and social havoc that could wreak, and one *external which recognises the* international value put on China's closed currency.

Other measures which have helped exports include maintenance of the peg of the Chinese currency to the US dollar when the dollar was devaluing last year. Stern instructions to export were also given to trade associations, backed up with necessary foreign exchange, and similar export directions have also been included in deals struck by the central government with provinces and lower tiers of authority under the rapidly-expanding contract responsibility system.

Liu Xiandong acknowledges that further measures are needed if the export growth is to be sustained. These include: making the contract responsibility system work effectively; stopping inflationary and sometimes corrupt trading deals between different provinces and other authorities; strengthening the administration of licensing and quota systems; and carrying through the new foreign exchange retention arrangements which will iron out anomalies between provinces.

The traffic increases: lorries queue to cross into China, left, while people queue, right, for their visas outside the US consulate in Hong Kong

Hong Kong shows little faith

Continued from previous page

democratic election process for two or more four-year terms after that. It will also have strong control over who is elected to the SAR Legislative Council from 1999.

This may ease the transfer of power and avoid economically damaging clashes between, say, a liberal chief executive and Peking. But it has angered liberals in Hong Kong. The next stage in the process will be publication of the new draft early next year and there will then be further consultation before the final version is written and promulgated in 1990.

Meanwhile, considerable progress has been made on a wide range of issues by the Sino-British Joint Liaison Group, which oversees implementation of the two countries' Joint Declaration of 1984. Subjects range from Chinese troops taking over from the British garrison, to the organising of direct relations for Hong Kong which will continue after 1997 with international bodies like Gatt, Unctad, WHO, ILO and Interpol.

At the same time China is increasing its influence in Hong Kong where no major government decision is now taken on an issue having post-1997 implications without Peking being informally sounded out. Gradually mainland interests will also make themselves felt more in the colony's affairs in other ways – for example a Bank of China senior official has recently been elected to Hong Kong's new stock exchange council.

The closer commercial and other links between Hong Kong and China are not, however, without their problems. Peking itself has been embarrassed by exposure of massive corruption involving trading and other offshoots of mainland authorities in the colony. The best known is the Hong Kong branch of Peking-based Kanghua, a government-owned company closely linked to Deng Xiaoping, China's veteran leader. Xinhua News Agency's office in Hong Kong, which is China's unofficial embassy in the colony, is conducting inquiries into the activities of dozens of other offshoots, several of which may have to close.

Another problem is the risk of China's rampant inflation hitting Hong King because of the close economic and trading ties. Hong Kong's inflation rate is now between 8 and 9 per cent. It has been protected so far from China's 20 to 30 per cent or more by the grey and black markets in exchange rates which roughly halve the value of the yuan against the Hong Kong dollar.

But eventually that may not be enough. The monthly magazine of Hong Kong's Hang Seng Bank said earlier this month that a 1 per cent increase in export prices would raise Hong Kong's consumer price index directly by 0.2 per cent because *of the weight of China's trade* in the index.

This illustrates how the ties between the mainland and Hong Kong are growing stronger economically, even though there are still major debates about how much control Peking should and will exert after 1997.

John Elliott

AGRICULTURE

Shortages present grave political problem

CHINA'S once-hailed rural reform, for years the backbone of Deng Xiaoping's modernisation policy, has gone sour. For the fourth year in succession, grain output will fail to equal the record 407m tonnes harvested in 1984. Prospects for improvement next year over the expected 1988 harvest of under 400m tonnes are not bright.

"We are facing a grim situation," said He Kang, the agriculture minister, in November. "In recent years output of grain has stagnated, while hog production has fluctuated. Due *to continuously growing population,* gradually decreasing farmland and rapidly increasing consumption, once-alleviated grain shortages have again become acute."

The question of grain is a grave political problem over which *China's reformers and* conservatives are split. Dread of hunger in the huge cities of the eastern seaboard haunts the conservatives, while the reformers believe that imports can fill the gap.

But now even the reformers recognise that grain imports are costly and likely to become more so this year as world stocks shrink, and there is unanimity over the need to do something though Peking appears uncertain what.

The fall in production is partly the outcome of the weather, which since 1984 has not equalled the favourable summers before that. This year drought and floods hit 52m hectares of farmland, He Kang reported. Before 1979, the old communes might have coped since they maintained the dykes and irrigation ditches, supplied machinery, and helped to provide inputs such as fertiliser and plastic sheeting. Today individual farmers pay little attention to maintenance away from their own fields, and they cannot afford the expensive chemicals and fuel needed to increase outputs.

Currently, officials say, a third of China's reservoirs are too unsafe to operate near capacity, the irrigated area has dropped severely, and motor pumps are broken – notably in Anhui province *where this* year 70,000 failed to function.

This problem has been neglected by the state, which happily creamed off the benefits of larger crops in the early 1980s without investing cash in making sure they continued. *Nor has it tackled the question* of too-high input prices. And it has allowed the newly-rich peasants to build houses and factories all over good farmland which has significantly reduced the acreage available.

A change which helped to launch the problem came in late 1984, when, as part of the rural reform, farmers were freed from the obligation to produce a minimum amount of grain. Not surprisingly, since the prices they got for grain were low, they turned to light industry, growing vegetables or raising ducks. If they stick to grain and use chemical fertiliser and pesticides, they cannot recoup their costs out of what the government pays them.

"The state price for grains is 22 fen (100 fen = 1 yuan) for a half kilo, and the production cost is 35 fen," says Lu Yonghua, divisional chief at the Commission for Restructuring the Economy. "Even if farmers get subsidised chemicals, their costs are still 31 fen."

And this year there is a new cash flow problem. The Agricultural Bank normally provides funds for the state supply and marketing co-operatives which buy up quotas of grain and other commodities. Now the run on deposits provoked by rising prices has cleaned out the Bank, which is trying *to pay deeply sceptical farmers* with promissory notes.

Higher prices for the farmers would mean bigger subsidies for the consumer, since Peking does not have the nerve at present to pass on costs. One way and another, state food *subsidies are already yuan* 70bn, about a quarter of state revenue. While division chief Lu is hopeful of raising the prices next year, other Chinese officials are less optimistic because of the inflationary effect.

Contributing to the shortage of grain is the rise in animal husbandry. This has long passed the stage when the household pig could be fed on scraps. Feed grain now takes a 25 per cent slice of total use.

This is beneficial in that meat production (80 per cent pork) has risen from under 17m tonnes in 1984 to a probable 23m tonnes this year, but worrying because China cannot afford it. Again, for fear of trouble the government will not pass on the real costs to the customer, and instead has dodged behind pork rationing and subsidies.

Cotton production, stagnant like grain since 1984, has been affected by similar problems. All farmers are supposed to get a quota of cheap inputs from the state, but in some cotton-growing provinces less than half were delivered. *Free-market* supplies are simply too expensive. Pesticides now cost four or five times their price a year or two ago, and fertiliser is still dearer.

Premier Li Peng said flatly at an important rural work *conference called in November* that it would be impossible to step up state investment in farming in the next two years. He focused on a cheaper option, mobilising peasant labour to patch up water conservancy. This seems short-*sighted since, as he pointed* out, even if China hits its target of 500m tonnes of grain in the year 2000, population growth will mean average yearly consumption per head will still be only 400 kilos.

The one rural success story *is local industry, which this* year grew 30 per cent. This now provides jobs and incomes for a huge number of surplus peasants. But this more-or-less private industry is eating into raw materials and energy supplies, often needed by more efficient – or more influential – factories. It remains to be seen how far this vulnerable but vital sector survives Peking's current economic clamp-down.

Colina MacDougall

These little pigs went to market down the Yangtze river

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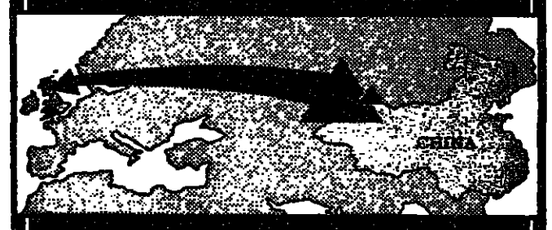

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Steven Butler describes industry's dilemmas

Realm between two tracks

SOME Chinese factories in recent years have begun to use two statistics to describe how their businesses have performed: the output value, and the sales value.

A discrepancy between the two need not signal a big stock draw or build, but rather a difference between realised prices and official prices, which are used to calculate output value.

This apparently innocuous statistical discrepancy is symptomatic of a deeper problem facing Chinese industry, which the Chinese in classic verbal shorthand refer to as the "two-track" system.

Chinese industry has now entered an uncomfortable realm between between central planning and the market economy, between state control and enterprise autonomy, and it often finds itself floundering for direction, even unsure of which statistic meaningfully describes what it does.

The Chinese leadership had always said that reform of the urban economy would be a far more arduous task than rural reform. They have now discovered just how wise this initial insight into the reform process really was.

Chinese industry was vastly inefficient, technologically backward, and subject to costly political interference.

The process of reform, to start with, did not make drastic adjustment in the state industrial sector, but led to decontrol outside of it. Agriculture was decollectivised, and the green light given to collective and private industry and commerce.

The extremely buoyant non-state industrial sector, which is entirely market oriented, is now approaching 40 per cent of total industrial output, growing at a rate far in excess of the state sector.

The state sector none the less remains the backbone of Chinese industry, and the government is understandably reluctant to take undue risks as it moves to squeeze more efficiency out of it.

In principle, the government would like to eliminate virtually all price controls and to allow the state sector to be entirely market oriented. In practice, its brush with serious price reform earlier this year has frightened the government away for the time being.

It is none the less committed to factory reform, and has set its task to "deepen" the responsibility system in factories.

This consists of, first, establishing micromechanisms and material incentives to counteract incorrect signals given by the state price system; second, erecting stiffer barriers between controlled and uncontrolled parts of the economy; and, third, moving at least experimentally to reduce excess staff in factories.

The start of industrial reform was signalled in the late 1970s when Deng Xiaoping, China's supreme political leader, rather boldly declared that it was noble to make a profit – this was close to political heresy at the time.

The problem in China, then and now, is that profit is a poor measure of industrial performance because prices for key raw materials and manufactured goods are fixed. Profits in any industry are the results of accidents of input and product prices, the quality of whatever equipment the enterprise happens to be stuck with and, of course, management skills.

Within the state sector rates of return have little influence on the allocation of capital. Capital spending is still based, in the end, on physical planning targets, even though capital is now dished out through the banks on the basis of a loan and not simply given away by the industrial ministries.

Profit is none the less now seen as the key measure for fixing incentive systems, and is the basis for paying taxes.

Profit, or loss, is a target set individually for each factory based on historical and other criteria, and whether the target is met determines the size of a bonus and how much tax is paid, according to a prearranged scale.

These are the micromeasures aimed at combating the price system. They are simple enough in theory, but in practice require an enormous administrative effort to enforce, amounting, in effect, to a shadow planning and control system as factories are given more formal autonomy.

They also lead to enormous opportunities for corruption. In which other country in the world are enterprise taxes, in effect, the subject of negotiation?

Pressure on the men who decide profits targets, and thus the amount of bonus available to put into the pockets of enterprise workers, are enormous. As controls have gradually come off the economy, or have been redefined, they have not at the same time been replaced by a universal code of commercial law, and a viable enforcement mechanism. The changes have often inadvertently created instant winners and losers in a way that many Chinese find to be unjust.

In almost Thatcherite style, material incentives are being used to get rid of excess staff

All of this has created a sense of chaos, particularly in a time of high inflation, and has set many enterprises looking for whatever means then can find to protect the interests of their own staff. With a "two-track" planned and unplanned system, these opportunities are rife.

Take, for example, the factory that produces substandard, unusable steel, perhaps only because the state will not allocate capital for new equipment, or it could not obtain raw materials of sufficient quality. Its bonus will not be paid unless it records a profit.

Lu Yonghua, a division chief at the State Economic Restructuring Commission, says this situation is sometimes resolved through a bribe to a state commercial organ, which takes this waste material at the official price to let it rot in the warehouse.

The China Daily recently reported that 27m tonnes of steel, equal to 40 per cent of China's annual production, sits in state warehouses. It is unclear how much of this sort of steel is unusable, or how much has been stockpiled for other reasons, such as fear of inflation and shortages, or simple inefficiency in distribution.

Enterprises having access to fixed-price goods, can often make an enormous, instant profit by passing them on to the free market, where other state factories or collective industries will snap them up.

Changes have often inadvertently created instant winners and losers in a way that many Chinese find to be unjust

Having given up on price reform for the time being, Lu says the government will now focus on enforcing commercial laws, pushing these sort of cases into the court system, and adding pure, old fashioned, administrative pressure. But he is the first to admit that the legal system and the trained enforcement officers are not there.

These are the efforts to erect barriers between the planned and unplanned parts of the economy, an effort that has had scant success in any socialist economy.

Finally, the Chinese have started experimenting with methods of reducing excess enterprise staff. This is a tricky and controversial proposition because job security lay at the heart of the revolution. True to form, in almost Thatcherite style, the Chinese are using material incentives to accomplish this.

At the North China Pharmaceutical Corporation, in Shijiazhuang, zealous managers have managed to reduce a 9,100-strong work force by 500 – an almost unheard of accomplishment.

The method was simple. A work group leader was asked how many workers were needed to perform a given task, with a given bonus award. It thus became in the interest of the leader to reduce workers so as to increase everyone else's bonus.

The excess 500 workers were evidently harangued by the factory leadership until they took other jobs, either in or out of the state sector.

This must have been an extremely painful process. "I had to put out a huge effort," says Ms Li Zheng, chief of the plant's enterprise management section, adding with admirable understatement: "For the iron rice bowl to become a clay bowl, you have to go through a process."

One worker, she says, was divorced by his wife when the wife found he was losing his job in the state sector.

Reform of state industry in China is plainly an enormously difficult task, and there is a real danger that the system may become stuck permanently in a kind of half-way house, retaining the worst features of a planned and a market economy simultaneously.

This danger appears all the more real because of haziness about just where the leadership wants to take the industrial system. Although more market-type measures and creative uses of material incentives are in the works, the leadership is still wedded ideologically to the notion of socialist, state ownership.

Share ownership systems currently under discussion for state factories appear to be more in the nature of complex incentive schemes rather than true ownership, in which capital can be freely bought and sold in a market.

So far there is no one in the leadership willing publicly to endorse a concept that follows directly from current thinking about the role of markets – that a market for industrial capital, properly regulated, can make as much sense as a market for anything else.

Severe energy shortages continue

Panzi coalfield, Huainan, in Anhui province.

High nuclear costs lead back to coal

WHEN THE economic reform process started moving in late 1978, energy, along with transportation and communication, was listed as a key bottleneck in the economy in need of priority investment.

In 1988 China continues to face a severe energy shortage. The Ministry of Energy, an amalgam of three separate ministries established earlier this year, estimates electricity alone falls about 20 per cent, or 15 gigawatts, short of absolute industrial needs. This does not include the cushion of excess capacity that would be considered essential in a developed economy.

Generators are operating an average of more than 6,000 hours a year, compared to between 4,500 and 5,000 hours annually in France or the UK.

Wang Wenze, spokesman for the ministry, none the less expresses broad satisfaction with the growth of energy supply in China. He complains, however, that the industry is, in effect, capital starved, a condition that must reflect the absurdly low cost of all forms of energy, as well as central planning priorities.

The low price of energy has an unfortunate side effect: it encourages waste and China's energy efficiency is about half that of developed countries.

The 1987 increase in electricity generation, at 10.3 per cent, was ahead of plan, and electricity is planned to grow by a further 10 per cent, or 8,000 kilowatts annually until 1990.

The problem is that the government lost control of the industrial growth rate, which this year was soaring ahead at over 17 per cent.

Wang hopes that the problem will ease in the coming years as the government gains more control over the industrial growth rate, but admits that electricity will be in extremely short supply in China for the foreseeable future.

There are no easy solutions.

China's principal coal and water resources are situated in the west, south west, and north west of the country, while industry is concentrated broadly along the eastern seaboard.

This means that any scheme to boost power generation involves enormous capital costs. China has toyed with the idea of building power plants close to coal mines or hydroelectric resources (of which less than 10 per cent have been tapped, according to government estimates), but the cost of installing long-distance transmission lines is daunting.

At the same time, the transportation network is not up to the requirements of significantly increasing its haulage of coal. Already 40 per cent of the capacity of China's railroads, which are the most intensively used in the world, is taken up freighting coal around the country.

The solution, which will be the only solution possible for many years to come, is to flatten the load curve by rationing electricity to industrial users and forcing more plants to operate at night and close down during the day.

China has had mixed experience so far with nuclear energy, and Wang says that China has put future development of the nuclear industry on hold until the turn of the century.

China has two 900MW pressurised water reactors of French design under construction at Daya Bay, and two 600MW reactors, designed by Kraftwerk Union, under construction at Qinshan, near Shanghai. A 300MW PWR nuclear plant of Chinese design is also under construction at Qinshan.

The low price of energy, as a side effect, unfortunately encourages waste

The experience gained from these initial reactors will undoubtedly form a critical technical base for moving forward when the time comes. But the principal constraint remains funding. The much higher capital cost of nuclear plants has steered China back toward coal.

China's coal production this year has grown by about 5.5 per cent and is expected to reach 950m tonnes by the year end. But some 20m to 30m tonnes will end up stockpiled locally because railroad capacity is insufficient.

China's railroad system has simply not been able to respond quickly enough, and the railroad ministry has been accused of standing in the way of an integrated plan for energy development because it operates as an independent fiefdom.

The Energy Ministry is looking at other options to get round the transportation problem. These include, building of coal slurry plants, local processing of coal to produce chemical raw materials, and the refining of raw coal to reduce bulk. Local development of smaller mines is also moving ahead.

The steady increase in coal burning has also raised concern about pollution in urban areas.

Desulphurisation has been discarded as a practical solution for the time being because the capital costs are too high. Instead, the height of smoke stacks is to be increased in order to disperse emissions more widely. Efforts are also being made to select low-sulphur coals for urban areas.

In new power stations electrostatic precipitators will be required to reduce particle emission. There is also a gradual introduction of liquified petroleum gas for use in urban households, to replace coal burning, although all of these measures have not been sufficient to keep up with the rapid increase of urban pollution.

In the petroleum industry China is fighting a growing battle between increasing demands in the domestic economy, and the need to keep a volume of exports in order to earn foreign exchange.

China's oil exports have drifted off in recent years from a high of 30m tonnes in 1985 to an estimated 27m tonnes this year. However, Wang Wenze says that it is China's policy to maintain level exports, regardless of fluctuations in the oil prices.

About 18 per cent of China's foreign exchange earnings come from the oil trade. Much of the oil is also exported under long-term contracts.

China has given up hope of any surge in oil production. However, Wang says there is growing confidence that oil output can be kept on a gradually rising curve. 1988 production is expected to reach 140m-150m tonnes, compared to 134m tonnes in 1987.

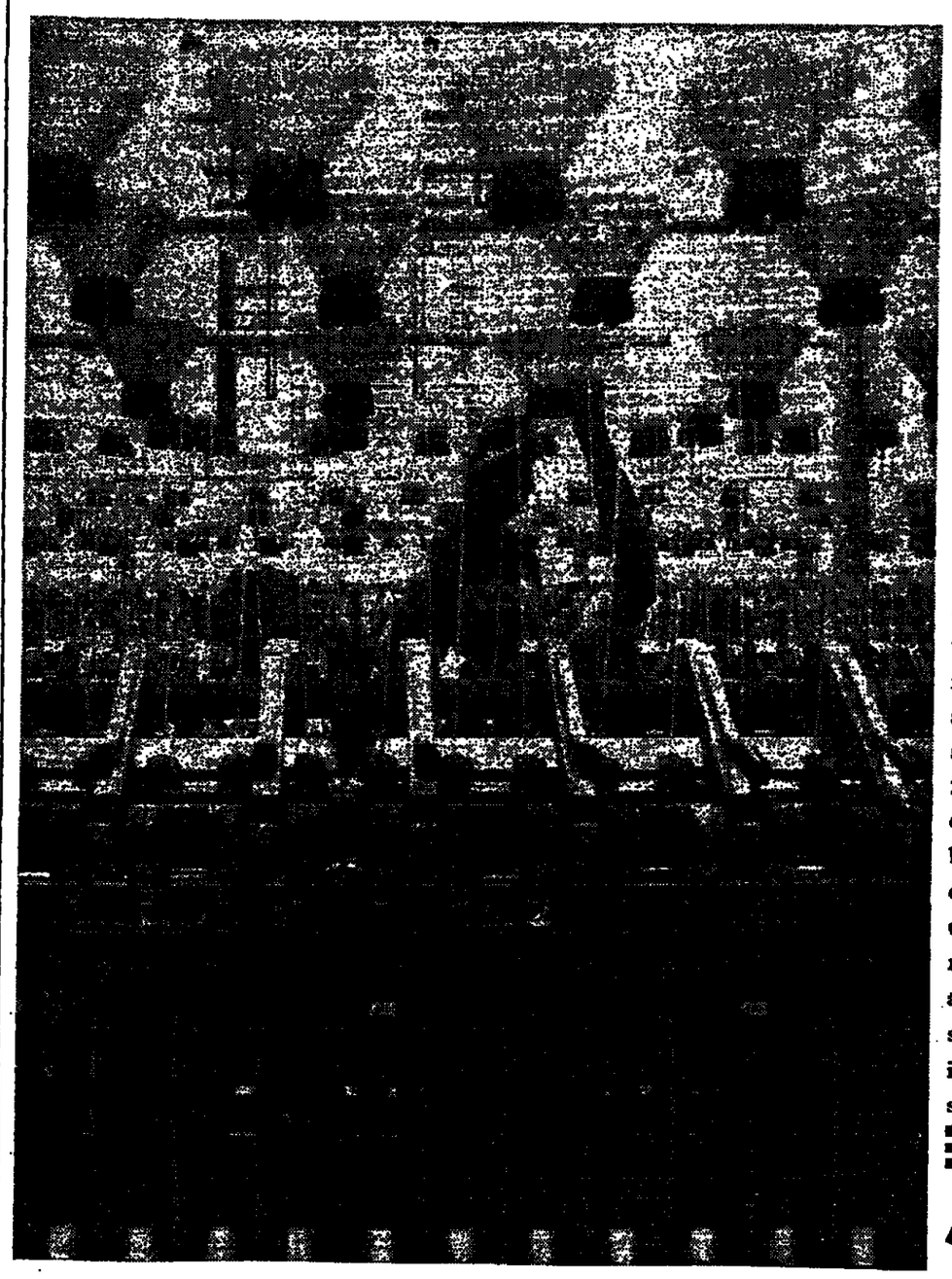
The Daqing oil field was affected by floods this year, but Wang says that the drop in production was temporary and that production in China's older fields can be maintained by new drilling.

China has reached no consensus on oil reserves in the Tarim Basin, which some in the oil industry see as one of the last potential fields of very large proportions waiting to be discovered.

Some Western oil companies are anxious to participate in exploration and development of the area but China has made no final decision on whether or how foreign participation will be allowed.

Developing the region would pose a severe technical challenge. Seasonal temperature fluctuation can range over nearly 200 degrees, and structures would have to be built in an area subject to drifting sand dunes 50 feet in height.

The Thread that runs through South East Asia



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Here and right, **Colina MacDougall** profiles Sichuan province

'Prosperous city enclaves'

"THEY CALL it 'the Sichuan Army'," said dapper Ren Jianyin, ruefully referring to emigrants who have left China's most populous province in search of jobs. Pointing to its nearly 105 million people and the tiny area of cultivable land, Ren, who heads the province's trade and foreign investment office, was explaining why 2m or so Sichuanese had taken advantage of China's new labour mobility to seek work elsewhere.

Though a fertile farming province, Sichuan traditionally has suffered from over-population. But it was given a break when in 1979, reduced to abject poverty by the Cultural Revolution, it became the first of China's provinces to experiment with economic reform. Deng Xiaoping, himself from Sichuan, spurred its leaders, then headed by today's party boss Zhao Ziyang, to liberalise the commune system. Within a couple of years it was again exporting food surpluses.

The province has always been cut off from the rest of China. Ringed by mountains, it now includes to the west what was the huge Kham region of Tibet, currently the Aba and Garze Tibetan prefectures. In this vast region the population, often made up by minority peoples including many Tibetans, is thinly spread.

Many of the remaining 100m or so are densely crammed into the eastern half of the province, where patchworks of tiny fields stretch as far as the eye can see. Two major urban centres, Chongqing and Chengdu, plus a few smaller ones, supply the industrial element. "One of our biggest problems is the contrast between levels of development in mountain, plain and city," says bespectacled Liu Zhipeng, secretary general of the provincial government.

But the province is still a success story. The focus on agriculture has meant that this year, when prices were flying up all over China because of shortages, in Sichuan they stayed relatively stable. "Our

Sichuan

grain, cooking oils, pork and salt situation has still been pretty good," said Liu.

"But consumer durables like colour TVs have been short. Prices went up because people panicked."

Chengdu, the provincial capital, looks a well-fed city, though it lags well behind the spectacular development of Guangdong. The markets are groaning with food and flowers. Restaurants, the locals say, stay open till midnight, feeding the gamblers and free marketeers in their fashionable (and, even in China, expensive) leather jackets.

Sichuan's cities "look like prosperous enclaves in a nation struggling with inflation," the China Daily commented in October. Even more impressive, the province has achieved this at a time when the grain harvest has remained static, if not actually fallen, while wet weather has seriously affected some vegetables.

Despite its inland situation, Sichuan has turned enthusiastically to trade and the wooing of foreign investment. "Last year our export value was $703m, and we expect it to hit $850m for 1988," said Ren. About a quarter of that goes to Hong Kong, 10 per cent to Japan, with the rest spread over the US and Europe.

Among the mainly agricultural and light industry exports, one important commodity is silk. The moist climate produces huge and luscious cocoons – so much so that this year, as Peking's central control over the economy began to weaken and provincial squabbling surfaced, producers literally had to fight off greedy raiders from other provinces in the so-called 'silk war'. How isolated Sichuan will survive in this new and highly competitive inter-provincial climate remains to be seen.

Actual foreign investment in the province has reached $30m, with around 46 projects already on the ground. Another 16 are planned, with total investment to reach $60m. Hong Kong is the leading investor, but this may change as the French hotel group Meridien plan a $30m hotel in Chengdu and industrial projects with the US and Denmark are under discussion. Surprisingly, the province has also attracted money from Taiwan.

Sichuan has even branched out into projects abroad, with the Jialing company as its window in Hong Kong and Huaxi Co – a joint venture with a Hong Kong company – which originally operated a construction business in Shenzhen, now investing in property in Canada. The provincial government plans to give tourist earnings a boost by opening the rocket-launching site at Xichang in the south to foreign visitors.

But the province has major structural economic problems, of which heavy industry is one. Sichuan is the heir to one of Chairman Mao's more disastrous policies, the dispersal in the 1960s of military industries to remote parts of the country to foil a possible American or Soviet attack. Chongqing was already an arms producer, so there was some logic in bringing similar industries to the province, but none to burying them in the mountains.

The kingpin of the vast strategic plan was the Panzhihua steel complex, one of China's biggest, in the far south west of Sichuan. At least this and a handful of other enormously expensive projects were eventually finished, unlike some which were abandoned because of costs. But today the province is left with a skeleton of huge, scattered industrial plants, inadequately served by transport and losing vast sums of money.

"It's not quite clear who they belong to," said Dai Xueming, polished vice-director of Sichuan's Planning and Economic Commission, seemingly indicating he wanted nothing to do with them. "Currently they're run by ministries in Peking, and we at the provincial level don't have either the raw materials or the markets for them."

Some rationalisation is taking place as the more efficient ones gradually move to the city suburbs and turn to manufacturing civilian instead of military products. For instance, Dai pointed out, the Chengdu Aircraft Corporation is making aircraft nose-cones for McDonnell Douglas.

But Sichuan is short of investment from the central government now that the coastal provinces get priority, and may not be able to afford the necessary renovation. Energy shortages are a further problem, as rural industry steps up consumption and spending on new power plants has flagged. Transport, too, is a headache, given the mountains and paucity of rail lines. Dai is hoping water transport can be exploited, though he recognises that prices will have to come down to attract custom.

These difficulties are shared by many of China's inland provinces. Shared, too, is the resentment felt by many about the investment priority Peking has given to the coast. An embarrassed silence fell when provincial officials were asked what they thought of this policy, and heads turned expectantly to Dai, not the most senior official present but the weightiest, who expertly fielded the question.

"In general we agree with the strategy," he replied smoothly. "But of course we want more privileges."

Beaming elderly ladies hurl the finished bricks into waiting trailers

JINGMA TOWNSHIP

Industrious show-piece

AT THE Jingma New Village, they are used to VIPs. Four years ago Korean leader Kim Il Sung came to visit, and the village's three-storey reception centre and asphalt road proclaim it a show-place. An hour's drive from Sichuan's provincial capital and headquarters of Jingma Township, it lies in the heart of the fertile Chengdu plain.

The patchwork of tiny fields which stretch to the horizon under Sichuan's permanently leaden skies grow rice, wheat, oilseed and vegetables. In November they were crowded with farmers hoeing and scattering seed. Even if it is a show-place, it has real problems – Jingma township has only a pocket-handkerchief of land about the size of a tennis court per person, hardly enough to support life, let alone improve it.

Jingma Township, an area of 1,100-plus hectares, is home to over 15,000 people. This is characteristic of Sichuan's densely populated landscape. "Our biggest headache is finding people jobs," says Li Chuanjun, the capable township head. The rural industry policy launched by Deng Xiaoping has been literally a life-saver.

township's industry will overtake farming as a money-earner. Agricultural output has been stationary at around yuan 10m last year and this, but industry is booming with value rising from only yuan 9.8m last year to an expected yuan 11m this.

Impressive, not least so when you take a look at the industry. In a large shed a labour force of 60 is desultorily making steel nuts – believe it or not, for export to Hong Kong. Quality control is a girl picking them up and idly turning them over.

A few steps down towards the centre of the village, unnervingly next to the kindergarten, two men are installing equipment for producing lead oxide. The boiler looks as if it came out of the ark. A few doors from that is the *pièce de résistance*, a Chinese sausage making factory (one of five in the township).

Or maybe factory is too grand a term. A couple of dozen girls are stirring the mixture, stuffing the skins, hanging them up to smoke and doling them out into plastic bags for sale to Canton. The sausages were completely delicious (we had some for lunch) but the process was hardly mechanised.

A flour mill came next. Motive power comes from an ancient irrigation system with a handsome dragon's head carved on the stone water conduit. Inside the mill a vertical wheel spins, grinding the flour, driven by a complex arrangement of stone and timber shafts.

Half a mile away an amazing labour force of teenagers and elderly ladies is making bricks. The men have the fun jobs, driving the earth movers that shift the river mud into the factory. When the bricks are shaped and loaded onto a mini-railway, they chug through the ovens and out to the unloading yard. Beaming old dears hurl the finished product into the waiting trailers.

These Heath Robinson plants and many others generate an average wage of yuan 150 a month, which supplements what would otherwise be a very meagre living. Besides, the township runs three construction companies which currently have contracts to a value of yuan 7m – yuan 3m in Chengdu, yuan 2m in Tibet (where many Sichuanese go to find work) and yuan 2m in nearby Wenjiang county.

Jingma is not a sophisticated place. But it is resourcefully coping with the problems of poverty and overpopulation. Li Chuanjun, a local but with army experience in north China, is a man with drive. It would be nice to think that the township could continue to prosper despite current mismanagement of China's rural economic miracle by short-sighted officials in Peking.

Colina MacDougal

Hebei – an ancient province with a modern capital

Adjusting to the outside

IN Shijiazhuang, the capital of Hebei Province, a trip to the museum is required to remind a visitor that this is an ancient place.

Inside is an exhibition that would pass for a blockbuster in most Western cities – stunning jade funerary suits, inlaid bronzes, ceramics, and a reconstructed tomb complete with chariots and mock soldiers.

Outside is the grid of boulevards for a planned socialist city of 1.4m, grandiose meeting and exhibition halls, dreary brick dormitories and, now, a growing collection of tall, modern structures that are Shijiazhuang's contribution to the construction boom that has swept through China.

Hebei, an ancient place, has a modern capital because of the way that the Chinese communist authorities carved up the political map when they took power in 1949.

Peking, the national capital located in the middle of the province, was hived off administratively and took with it a ring of prime agricultural and industrial counties on its perimeter.

Tianjin, the coastal industrial and commercial centre, went the same way, leaving Hebei bereft of two of its biggest, most famous, and most industrially advanced cities.

A capital was first established at Baoding, and then moved further south to Shijiazhuang, a railroad town that sprouted from a small village early in the century when the line running south from Peking to Nanjing linked up with the major east-west trunk route connecting Taiyuan and Jinan.

Completion of the railroad transformed the agricultural economy of the province because it provided a cheap way to move cotton from the farm to industrial centres in and outside the province.

Shijiazhuang has now grown into an important industrial centre in its own right, the hub of the province's textile industry, which also hosts a range of other industries that were established in the early 1950s, including China's biggest pharmaceuticals plant.

Hebei is now China's second largest cotton producer, and fifth biggest textile manufac-

Hebei

turer, producing 1.2bn metres last year.

Hebei has, of course, participated in all the benefits of the reforms. The value of industrial and agricultural output has risen from yuan 29.9bn in 1978 to yuan 67.7bn last year. Exports have gone up even more fantastically, from $276m in 1978, to $1.49bn last year.

But it is clear that the reform process, particularly in Hebei industry, has only just begun. A younger leadership team has moved into key positions in the province's political and economic hierarchy, and in some of the big factories young, technically oriented, practical-minded managers have taken over.

The province is currently promoting Qinhuangdao, a seaport on the Bohai Gulf, as an open city for foreign trade and investment.

Tan Zushu, deputy director of the provincial economic planning commission, says the province has had to go through a learning period, and has made many mistakes in efforts to import foreign capital and technology.

"When we import machines, we also have to import management methods too," says Tan, citing one lesson learned.

The lessons have occasionally been expensive. Hebei imported one complete plant to produce a synthetic flooring, and made sure that the contract had a clause specifying that the plant could be operated on materials from the "home country".

Provincial authorities assumed that "home country" meant China, but the vendor assumed the phrase applied to his own country. With Chinese raw materials unable to meet specifications, and the import of these material prohibitively expensive, the factory now sits idle.

Tan says they have also been stung buying what appeared to be relatively cheap foreign equipment, only to discover that spare parts proved extremely expensive. "These problems have given us an education," he says.

These relatively straightforward difficulties in dealing with the outside illustrate the high price that provinces like Hebei have paid for their isolation, and they show why the reform process in industry takes so long to develop.

Interpreters and drafters of legal language cannot be trained overnight, nor can technicians instantly master the latest foreign machinery and manufacturing processes.

These difficulties of adjusting to outside contact come on top of the broader instability in the Chinese economy caused by rampant inflation.

Ye Liansong, first vice governor, says the province is prepared to move forward with the reform of enterprises in spite of the temporary freeze on price reform, and it is here that the province evidently has plenty of experience on which to draw.

Zhang Youbin, 46-year-old head of the Shijiazhuang number four textile mill, rose to national fame after experimentation with new methods of implementing the responsibility system in his factory.

Responsibility systems in most industries in China mean piece rates, and while piece rates encourage speed, they often mean reduced quality.

Zhang has managed to implement a far more subtle system, in which quality and raw material consumption is factored into the the bonus system. Electrical meters were installed throughout the factory. Computers were introduced to monitor electricity consumption and stock control.

Zhang talks fluently of various management theories imported from the West, and which may or may not be appropriate for different types of operations.

The result, in his case, was a broad upgrading of quality in the factory, so that Zhang is now able to guarantee meeting exporting quality standards for shirting, for which the factory receives a much better price.

There is an evident realisation among economic and industrial leaders in Hebei that reform is a long process, where small victories are achieved one at a time. But a most important victory appears already to have been won, the moving into position of practical men and women who are willing to face problems squarely, without prejudice.

Steven Butler

No 4 cotton mill: broad upgrading of quality

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Rural industry: pedding tricycles and carts

DAHE VILLAGE

Message to the world

I HAVE been asked to convey a special message to the world from some good friends of mine. It is from a rural township called Dahe, with a population of 23,200, on the outskirts of Shijiazhuang city, in Hebei Province.

The local officials of the township, and the villages under its jurisdiction, are convinced that there is a great business opportunity for readers of the Financial Times.

When the world comes to understand that the people of Dahe are industrious and resourceful (and I can attest to that), they believe there will be no end to the stream of foreigners wishing to do business with them, investing, providing technology, buying their goods, from high quality corn starch to shoes, or even medical instruments.

Doing business with the outside world would, indeed, be only the final step in a complete transformation of life in this rural community since economic reform began 10 years ago.

The process of change has been a near textbook case of what happens when a relatively isolated, self-sufficient economy suddenly opens itself to opportunities for outside trade.

The economy, prior to the reforms, of course, was far from self-sufficient. The North China plain, where the township is located, was broadly commercialised earlier in the century as railroad lines were built and demand for cotton grew in response to burgeoning textile industries in the nearby cities.

But the communist government during the Cultural Revolution reversed this trend, forced communities to be self-sufficient, and used administrative pressure to force grain yields up in the absence of an adequate price incentive.

Grain production rose fantastically in Dahe, but income stagnated as this was accomplished by the application of high-price industrial inputs – fertilisers and pesticides.

When I first visited Dahe in 1980 (and stayed for six month as part of a research project), the controls were just beginning to come off. The housing boom had started, and already small industries had begun to push incomes up rapidly.

The peasants had already in the main stopped eating hated corn meal and sweet potatoes for staple foods, and meat and fish consumption had begun to inch up.

This was bound to continue, but I was unprepared for what had happened in eight years. Industry accounted for a third of total production in 1979. By 1985, this had reached half of the gross output of the township.

Since 1985, industrial output of the township has grown approximately five-fold, to reach a projected yuan 60m this year. It doubled this year alone. Net profits have more than tripled to yuan 7m or about yuan 300 per capita.

The gross value of industrial output will be 3.5 times that of agriculture this year. Average incomes have risen by more than five fold in ten years.

The villages have built a fantastic array of small industries that include paper manufacturing, edible alcohol, electricity generation, casting of automobile parts, building materials, medicines, meat processing and knitting.

The most profitable of the new ventures is a factory that bends tubular steel, and cuts steel plates, welding them together into three-wheeled pedal carts, used for transporting goods or even people, that have proved wildly popular in both city and village models.

It is no wonder that the central government has become concerned that excessive buoyancy in rural industry may pose a threat to the economy, competing for scarce goods, moving ahead rapidly with new investments that run beyond the state's more careful planning.

Yet if the government succeeds in cooling the economy by squeezing rural industry, cutting back bank credit or using harsher administrative measures, there would also be a political price to pay.

It is in townships like Dahe that the real constituency for reform lies. These are the people who have measured an annual jump in living standards. These are the people whose productive energies were massively unleashed by the decontrol of the economy.

A decade ago the occasional wealthy family might have a black and white television. Eighty per cent now have colour televisions. Refrigerators are becoming common (there were none a decade ago), and half the families have washing machines.

On a brilliant sunny day in early November, thousands of villagers swarmed the streets, recently widened to accommodate the bustle. The occasion was the annual village fair, a custom revived in recent years after being suppressed during the Cultural Revolution.

Table after table of pedlars lined up selling all kinds of cloth. There were toffee apples for children. Hundreds of spectators packed in before a make-shift stage where a traveling opera company performed.

A taste for the bizarre could be indulged in the "flying cycle" show, where a motorcyclist complete with jeans and sunglasses rode up and down inside a spherical steel cage. Across the way, a kung-fu artist lifted a bicycle in his jaw, while balancing pails of water on each hand.

You will not tell these people that economic reform has its dark side.

Steven Butler

On this page, **Steven Butler** profiles Xinjiang province and one of China's earliest joint ventures

Land that could be the envy of all China

XINJIANG is a Chinese province that fires the imagination. It is three times the size of France and contains a vast expanse of forbidding parched land – not just a hot desert where the scorching sun brings temperatures to 130°F in the summer, but where the mercury falls to 60° below zero in the chill of winter.

The province, officially the Xinjiang Uighur Autonomous Region, is ringed by tall mountains covered permanently by snow and ice. About 61 per cent of the population consists of *non-Chinese minority* groups who are different in language, culture, religion, and appearance. Forty-three per cent of the people are Uighurs, who speak a variant of Turkish and whose round eyes and curly brown hair set them strikingly apart from the Han Chinese local minority (36 per cent).

Pastoral people continue to live in shifting abodes in Xinjiang's stunningly beautiful mountain meadows.

On the flat land below the mountains, most of the province's 14m residents are concentrated in a small number of oases where meagre rainfall is supplemented by rivers fed with melting snow and ice in the mountains.

In ancient times, traders traversed the province along four east-west routes that became known collectively as the Silk Road, bringing fine Chinese silk to the near east, and eventually Europe, and returning with precious stones, pearls or exotic glass beads.

Xinjiang

The ancient cities and oases linked together by these trading routes are only now being systematically excavated. Many of the objects, which have been well preserved in the dry climate, can be seen in an impressive exhibition at the art museum at Urumqi.

As China has opened up, more and more of Xinjiang has been opened to the outside, giving rise to a thriving tourist trade.

Only 100 foreigners visited the province in 1978 when tourists were first permitted. Over 70,000 visited last year.

It is easy to imagine that one day Xinjiang could become economically developed, and its residents would become the envy of all China. There is space in Xinjiang, as there is nowhere else in China, and the vast expanse of open land and rugged mountains will one day be recognised as an invaluable natural resource for a population that has wealth and leisure time. A ski resort is now being planned not far from Urumqi.

This development could be fuelled by Xinjiang's rich mineral and fossil fuel resources. It has China's largest reserves of coal, and a debate is still raging about how much oil lies beneath the desert basins. Local officials claim about 140bn barrels of prospective total reserves, a number which would have geopolitical significance even if it is vastly exaggerated and only partly recoverable.

Its minerals could support the development of virtually any sort of industry.

Yet the vision of a developed and highly prosperous Xinjiang lies many years in the future and, in the mean time, Xinjiang is faced with a number of daunting obstacles to its economic growth.

This huge area has few links with the outside world. A single-track railway line connecting Urumqi to the central regions of China opened in 1963, and is now clogged and inadequate.

Uighurs' round eyes and curly brown hair set them strikingly apart from the Han Chinese

Although the building of a second track, or even possibly an oil pipeline, is under study, first and more practical efforts will be directed toward building more bypass spur lines to increase the capacity of the existing track.

A steady stream of trucks, many privately owned, now make the long journey to eastern China loaded with fruit and other products from Xinjiang. The hot sunny days and cool nights produce melons and grapes that are unbelievably sweet.

In Beshgram township, in the outskirts of Kashgar, 2,000 men are engaged in this trade full time out of a total population of 31,000.

Yet even the profits that can be earned by this kind of trade, would be severely eroded if transportation fuels were priced anywhere close to a market prices.

The irrationally low prices for raw materials helps Xinjiang's farm economy but it hurts the province more fundamentally in its most promising industries, coal, oil and other raw materials.

The official procurement price for Xinjiang's light, low-sulphur oil is about $4 a barrel at the official exchange rate. This is a price that would bankrupt most oil operations around the world.

The losses in the case of Xinjiang are covered by the state, but there is inevitably a severe distortion in development planning.

The obstacles to developing Xinjiang's links to eastern China are daunting enough that the province has begun to look toward the west, toward trade with the Soviet Union.

This trade has grown explosively in 1988, with contracts worth 200m in Swiss francs (£75m) signed in the first 10 months of the year. This compares with SFr21m traded in the whole of 1987.

The trade is on a barter basis, with nominal prices negotiated in Swiss Francs. The Chinese have a good appetite for Soviet heavy industrial goods and consumer durables – *trucks, fertiliser, steel*, refrigerators – while the minority groups who live in the Soviet border region have an even better appetite for Xinjiang's textile and clothing products.

The trade has developed quickly in the wake of decentralisation of both countries' foreign trade systems in recent years and promises to receive another big boost in 1990, when a direct rail link between Urumqi and the Soviet Union is completed, with Soviet financial support.

Xinjiang officials hope the link to the Soviet Union will also provide a more practical route through which to market goods in Europe.

In spite of the severe constraints facing the economy, Xinjiang has managed to progress quickly since the economic reform process got under way in 1978. The economy has grown by 11.7 per cent annually since in the past decade, compared to a national average of 9.5 per cent. Per capita production is only about 20 per cent below the national average.

The growing prosperity is obvious everywhere, from a building boom in Urumqi, to the colourful and bustling Kashgar Sunday market, which has grown steadily bigger as incomes rise in the villages surrounding this Uighur city.

Severe poverty has not been eliminated in Xinjiang, but it is plain the province has done plenty of catching up, with some support from the central government.

Of the yuan 5bn of capital spending in Xinjiang in 1987, over half came directly from the central government. In Kashgar Prefecture, the local government budget came to yuan 337m in 1987. Only yuan 55m of this came from local funds.

This is not simply an act of generosity on the part of the Chinese government. Kashgar prefecture borders on the Soviet Union and is just a day's bus ride over a newly-paved road to the Pakistan border. With over 80 per cent of the local population composed of Uighurs, the government must take positive steps to assure that racial harmony and loyalty to the central government prevail.

Government officials give assurances that harmony does indeed prevail, and there is a concerted effort to co-opt Uighur and other minority cadres into the leadership corps. After a period of suppression during the Cultural Revolution, there is now religious tolerance, and incomes have risen enough to support an annual pilgrimage to Mecca for a few thousand believers.

Yet, down to the county level, all Communist Party secretaries are Han Chinese. It is impossible for an outsider to assess fully how successful the Chinese have been at assuring racial harmony. It is clear that the situation in Xinjiang cannot be compared to the severe problems that have occured in Tibet. But the ingredients for racial conflict are all there and there is evidence that it remains an endemic problem.

The conflict is rooted in the massive migration of Han Chinese to Xinjiang since the revolution, a migration which some local people view as something of an invasion. Long-term foreign visitors report open tension among the races in public.

A series of strident official calls to promote racial harmony recently provide evidence that the authorities believe a problem is at hand.

JOINT VENTURE

Well-knit enterprise

URUMQI, the capital of the Xinjiang Uighur Autonomous Region, will be on few Western businessmen's short list for China's most attractive investment sites. The city is built on an oasis in one of the world's most vast deserts. It is industrially and technologically backward compared even with the central regions of China. And transportation in and out of the region can be a nightmare.

Yet Urumqi is home to one of China's earliest and most profitable joint ventures, the Tienshan Woollen Spinning and Knitting Company. Established in 1980 in the first wave of joint ventures, Tienshan started with investment capital of $22m. A first dividend was paid in 1984, and a $10m start-up loan was repaid in 1985. Tienshan's net profits have risen by just over 100 per cent annually, hitting yuan 120m last year, and sales have gone up by an average of 53 per cent each year.

Tienshan is also blessed with abundant foreign exchange, since over 60 per cent of its products are exported. The company earned $65m of foreign exchange last year alone, more than enough to allow repatriation of profits for foreign partners.

These profits have been further boosted because now that over 60 per cent of the factory's output is exported, the government has cut the profits tax by 50 per cent as part of an export incentive scheme. By next year the capacity of the factory will double to 2.5m articles, from a current 1.3m, as another factory building comes into operation.

Tienshan produces high quality, knitted, cashmere and lambswool garments, which have grown increasingly popular in its main markets in Asia, Europe, and North America. The Chinese produced reasonable quality cashmere and lambswool sweaters long before 1980, for practical minded sorts who wanted to stay warm in winter. These garments were popular in Hong Kong, with its Chinese population, much of whom came from the mainland.

The average wage is double the typical local rate

However, when China's economy began to open up in the late seventies, it was apparent that the Chinese lacked the design and marketing skills to compete successfully in the West. Chinese factories also lacked ability to meet the stricter quality standards in Western markets, both because machinery was old and because management methods were not up to par.

Zhou Peidi, vice general manager at Tienshan in Urumqi, says that Tienshan has succeeded as a joint venture because it was genuinely a joint project: all the partners were able to make a real contribution that helped to solve difficulties which, to some extent, are typical in any joint venture industry.

The major share in the company is held by the Xinjiang government, with 62.4 per cent, while balance is held by one Japanese and two Hong Kong parters. The Chinese contribution came in the form of raw material supply, cashmere and lambswool, both of which are increasingly valuable on international markets. These are indigenous products that come from Xinjiang's extensive pastoral regions, and the supply has continued to expand. The Chinese also, of course, have supplied labour which is very cheap

The partners have taken care of the design and marketing end of the business, thus providing an interface with world markets and making up for lack of Chinese experience. The foreign partners also introduced the basic technology and machinery. Zhou says the foreign partners provided a critical contribution by guiding the factory in management methods. So far, six groups of five or six employees of the factory have been sent to Japan for training, and 14 to Hong Kong. Tienshan has introduced the Japanese system of quality circles.

The ratio of management to workers, says Zhou, is about half the typical Chinese factory, and the payment system severe. Payment is essentially by piece rate. The average basic wage is fixed at yuan 230 a month, but this can be *docked by failure to meet minimum* quota standards. The average wage after adding in bonus payments comes to yuan 320, a total which is at least double typical wages in the area.

The final difficulty of the operation is that Urumqi is located in the midst of a huge continental land mass where rail and road links are woefully insufficient. Because Tienshan's products are light, and carry a huge mark up, however, it is economic to air freight goods to Canton, from where they are transhipped to the company's Hong Kong warehouse.

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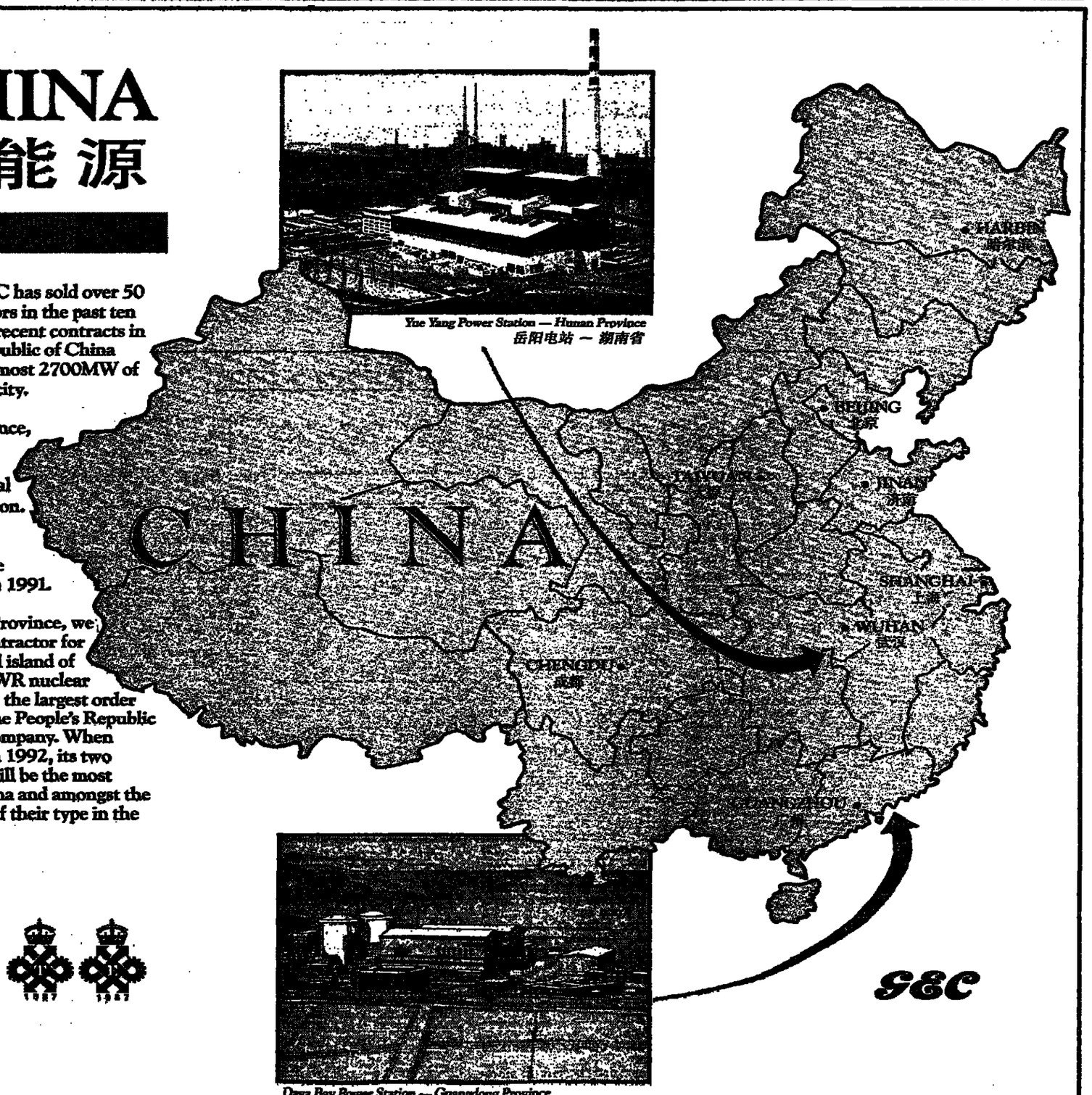

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John Elliott looks at change in the old port city of Shanghai

Less chop speeds up bureaucracy

SHANGHAI is on the move. After years of decay, it is being driven by its new "one chop" Mayor, Zhu Rongji, into the initial stages of the rebuilding and economic growth needed to re-establish this great, stylish and friendly old port city as China's commercial capital.

"One chop" is the slogan raised by Mayor Zhu, posted here in April from an economic vice minister's job in Peking, to illustrate the way he is speeding up the bureaucracy. He has decreed that only one rubber stamp – or chop as it is called in China – should be needed for industrial investment approvals instead of as many as 100 or more.

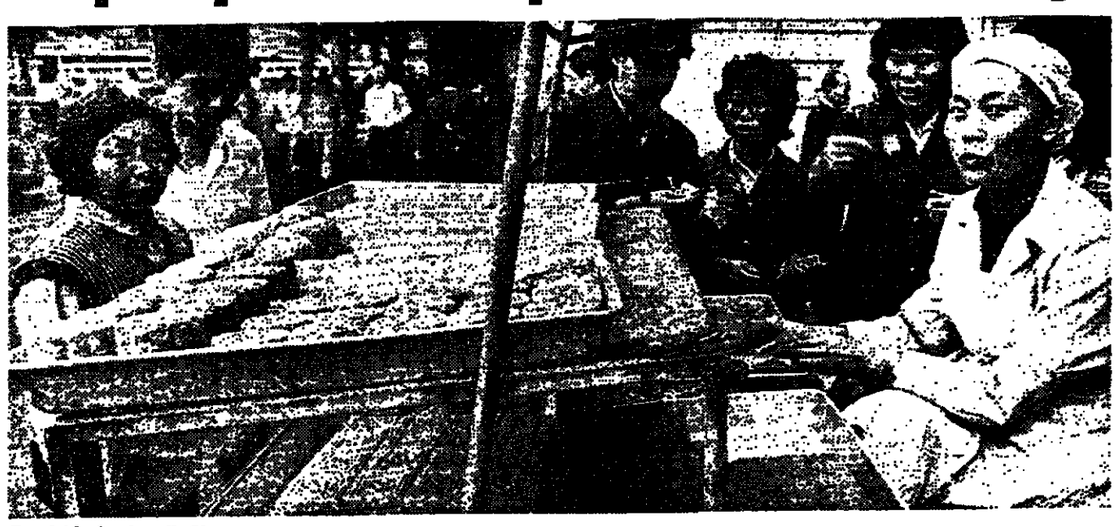
He took over from Jiang Zemin who is the city's Communist Party Secretary – so the city is now run by two reformers. "Foreign Investors will not be let down" is the slogan of Mayor Zhu, who has said he wants to raise as much as $10bn in foreign investment within three to five years – the Peking approved target is $3.2bn by 1991. "We cannot guarantee you will make a profit here, but if you do make a profit we will not be envious," he has told foreign investors.

The starting point for change is a new formula for the amount of its revenues which Shanghai is allowed by Peking to keep. This is producing $4.8bn this year, or 31 per cent of the total revenues compared with 23.5 per cent last year. Its revenue collection has been declining for the past three years, reflecting problems with its infrastructure and industrial performance which it is now tackling.

The city is also reasserting itself as a financial centre, taking the lead on pace-making reforms connected with ownership such as development of an embryo stock market which it hopes to expand next year beyond its present small number of only six companies with traded shares.

It is also trying to establish a rational balance between development of service and manufacturing industries, correcting imbalances caused by the country's political policies before the 1979 reforms.

"Shanghai used to be the finance centre until 1949 when the role of finance was ignored or negated as a tool to give vitality to the economy and to regulate it," explains Chen Dingping, a senior vice president at the Shanghai Investment and Trust Corporation. "Now it is recognised as a good tool – we don't regard it necessarily as a capitalistic thing, but as a tool to help the economy."



Roadside food stall, Shanghai

Shanghai, which was punished by Peking between 1949 and 1979 for being the old home of capitalism, still has to move relatively cautiously. "As the country's industrial and financial centre, Shanghai has an important strategic position in the progress of the country's open door policies," says He Gaosheng, director of the city's Office of Economic System Reform. "So we have to be specially sure when we are introducing reforms that they are right, because once a mistake is made in Shanghai it will have an impact on the whole nation. We have made no errors in the past 10 years."

He is sure enough of his ground – despite the Peking-led slow down in reform – to talk about the urgent need for "major breakthroughs to get significant movement" at the start of the third stage of the country's economic opening up.

This attempt to sharpen national policies for Shanghai's needs will take 10 years in three stages says He. The aim for 1989-90 will be to deepen economic reform, improve the "investment environment", and also "rectify the economic order" which means reducing corruption. From 1990-91 onwards all the reforms listed above should be done "on a full scale to see if a framework comes into being". In the third stage, depending on progress, existing reforms would be accelerated or new reforms mapped out.

A Foreign Investment Commission was set up in June to implement the "one chop" policy. Shanghai has also been given more delegated powers by Peking to approve capital investment projects and has itself further delegated powers to districts and counties within its purview. "We are delegating powers and strengthening macro control," says Lu Guoxian, senior member of the Commission.

Foreign companies with joint ventures such as Volkswagen which is producing its Santana car, Pilkington which has a float glass plant, and Inchcape with a port handling and trucking business, all say they have been helped in recent months by the Commission to sort out problems such as foreign exchange, availability of scarce raw materials, rights to dismiss employees, and countless problems with bureaucracy including charges for utilities, customs duties, and other taxes.

Industrially, Shanghai is aiming to build on its acknowledged record. First it needs to rebuild its infrastructure. It has recently concluded a $220m loan agreement with West Germany for the first 14km stage of its long-delayed mass transit underground railway which a West German consortium led by AEG and Siemens hope to build. It is negotiating with Philips of Holland, backed by Dutch loans, for airport extensions, and is borrowing $150m from the Asian Development Bank for a new bridge over the Huangpu River. World Bank loans of $145m are being provided for water treatment works.

It is also developing key industries such as cars, aircraft, and space, and is starting to modernise 10,000 old run-down enterprises. Foreign companies such as Johnson Wax, Xerox, Cabot and Mitsubishi have been providing funds and equipment to modernise plants as well as starting new projects. In addition, foreign companies are buying property for development in three new special development zones.

It is tempting to suspect that Shanghai's new vitality has been partly motivated by a fear of being eclipsed when Hong Kong reverts to Chinese sovereignty in 1997 and brings its highly developed and sophisticated international financial operations into China's economy. No one will admit to this though there is considerable, if grudging, admiration for what Guangdong province, adjacent to Hong Kong, has achieved in the past decade.

The Mayor has acknowledged that Guangdong is a more attractive place to invest and that it has a more deeply-rooted market economy. That was a major admission for the leader of this grand old city which sees Guangdong as an upstart with no real industrial base. Now Shanghai hopes it might gain from the disfavour into which Guangdong has fallen because of its rampant corruption.

It is too early to say whether all this will really transform Shanghai to its former central commercial role in the new, more open China. But the mood is certainly there and the enormous release of energy is quickly discernible. It cannot all be done simply with "one chop", but a beginning has been made.

JOINT VENTURE

Management strives to maintain quality

ON THE banks of Shanghai's Huang Po River, Pilkington of the UK is successfully producing about 180,000 tonnes of float glass a week to international standards at a $120m plant which is now emerging from two or three years of teething problems.

Pilkington is providing the technological and managerial expertise, but plans to remove all its management, in line with China's wishes, by the end of next year. It is only a minority shareholder with half the venture's 25 per cent foreign-held equity stake – the other half is owned by UDI of Israel, a trading company, through a Hong Kong subsidiary.

"We are a Chinese company, with China owning 75 per cent of the equity, providing all the raw materials, and taking 85 per cent or more of the sales," says Dr Terry Ginty, the general manager appointed by Pilkington. "So our aim is to withdraw our four remaining executives including myself by the end of next year – and that target looks satisfactory."

This is one of two international joint ventures for float glass which started production last year, after some delays. The other, Guangdong Float Glass, involves PPG Industries of the US, Pilkington's bitter rival, and is located in the Shenzhen special economic zone of the southern province of Guangdong. It is a slightly smaller $100m project with a capacity of 3,000 tonnes a week, compared with Pilkington's 5,000.

Dr Ginty hopes by the end of next year to have imbued enough quality consciousness into his company's management, which includes his Chinese current deputy and heir-apparent who is a former Communist party secretary, for them to take over effectively. If things go wrong, however, Pilkington will attempt to wield authority through its seats on the board of the company – called Shanghai Yaohua Pilkington Glass – and its equity stake.

"There is no natural Chinese concern for quality and appearance," says Dr Ginty. "People say 'Why do we have to scrap this lovely large piece of glass just because of that tiny flaw'. But we have insisted on not having two qualities here, one for export and one for domestic sales."

Management is difficult, as Dr Ginty explains: "Taking responsibility is not a Chinese characteristic. Their habit is collective talk and, if you are lucky, a decision taken far too late for a process line product like ours. So we are putting together managers and team leaders who will gradually learn to take responsibility and decisions round the clock.

"We are achieving this by sheer persistence and by banning the words 'It is not my responsibility', which is the usual reaction when there is a problem."

"We are banning the words 'It's not my responsibility', which is the reaction when there is a problem"

Like most joint ventures, all managerial contact is done through interpreters. "No Chinese manager speaks English well enough, so it is very very important always to speak through an interpreter to ensure there is no misunderstanding," explains Dr Ginty.

Different ownership structures and contract details have led to sharp variations between the Pilkington venture and PPG Industries which shares a 50 per foreign equity stake equally with the Srifuengfung business family of Thailand.

Whereas Pilkington, with part of only a 25-per cent foreign stake, is expected to withdraw its management by the end of next year, PPG as a stronger partner expects always to have "one or two of our people here, either as advisers or in a line function," according to Mr Douglas Ayling, the treasurer.

There are also sharp differences in arrangements for raw material supply, especially soda ash which is a major basic ingredient and has to be imported, and in targets for exports and foreign exchange. This partly reflects the fact that Pilkington's is a majority-Chinese venture while PPG's is 50-50. But it also shows that there is no single formula for negotiating a joint venture in China.

Pilkington, with the help of one of its partners, the Bank of China, pays local currency for its soda ash imports and so only needs to export 15 per cent of its production to generate the foreign exchange needed to pay off loans and import spares. Dr Ginty says the venture could not have found exports to cover the foreign exchange cost of the soda ash.

But the PPG venture has to pay foreign exchange for all its imported US-supplied soda ash and has used its US parent company's contacts to find customers for its glass in Australia, New Zealand, Japan, Hong Kong (and probably thence to Taiwan), Singapore, South Korea, India, and the Middle East. It has raised its export target from 50 per cent of its net 350-tonnes a day production to 60-70 per cent.

Mr Ayling says that being within a couple of hours container lorry drive to Hong Kong is a "great advantage to get exports out – if we were not so close it would be impossible to do the transport". Despite inflation of 30 per cent or more in Guangdong province, and some basic prices like timber doubling in a year or so, the PPG group is happy enough with its results to be looking at several other joint ventures in glass and other areas.

But both companies have managerial problems that will not go away. "There is a popular slogan in this country – they say: 'We must have advanced Western management to make advanced Western technology work'. I use that often to remind them of what that says we must achieve," says Dr Ginty.

Tibetan pilgrims spin the prayer wheels in Lhasa's holiest shrine, the Jokhang

Colina MacDougall profiles Tibet

Mixture of iron fist and velvet glove

THE PRETTY Chinese girl in the skintight leather trouser suit collapsed ashen-faced in Lhasa airport's minibus. "I can't stand the altitude," she moaned. "I always feel terrible."

"I came to Tibet five years ago," said the young man in the polo-necked sweater. "Our government asked for volunteers to teach the Tibetans, but the Tibetans don't want us, so why can't we go home?"

Tibet has never been a popular posting for the Chinese because of the altitude, the loneliness and the food. The Chinese authorities pay substantial bonuses to people prepared to work there. Now, with the eruption of nationalist sentiment, even in Lhasa Chinese are afraid to enter the Tibetan city.

"Tibetans chase you at night on their bicycles, and then zigzag in front of you so that you fall off," said another. "And Chinese soldiers hate being posted to the monasteries – they can't stand the smell of butter."

Tibet, full of suppressed tension between the communities since the anti-Chinese riots last spring and in October 1987, has been effectively a Chinese colony since 1950, when the People's Liberation Army occupied it. Thousands of Tibetans were killed then and in the uprising which followed an apparent attempt by the PLA to kidnap the Dalai Lama in 1959, who fled to India. Tens if not hundreds of thousands more died in the aftermath of China's twin catastrophes, the Great Leap Forward and the Cultural Revolution.

Things slightly improved after 1980 as reform took hold in China proper. But this year the violent protests and alarm at rates of Chinese immigration into the territory sparked the Dalai into a campaign to enlist outside support for talks with the Chinese over a new, demilitarised, semi-independent status for Tibet.

His proposals, made to European Parliament members at Strasbourg in June, were followed by discreet negotiations with the Chinese over direct talks. So far, these have reached stalemate, with Peking, according to the left wing Hong Kong paper Wen Wei Bao, refusing to attend unless the religious leader revokes his earlier decision not to attend personally.

Peking also was alarmed by the riots, partly because it brought world-wide attention to Tibet. Criticism of Peking's human rights record followed, for the first time putting China under mild scrutiny by nations like Britain and the US which had comfortably ignored violations of human rights in China proper.

"At least the Tibetans have someone to speak for them in the outside world," says one Chinese sadly. "We have nobody."

The Chinese leadership is clearly divided on how to handle the Tibet problem. Reformist leaders admit to prevailing "leftist" influence, left over from the 1966-76 Cultural Revolution days, still hard to eradicate. Tibet is a key strategic border area, and it is hard to conceive of the army – said to number about 300,000 – ever leaving.

Tibet

Most likely, a mixture of iron fist and velvet glove is on the cards. The iron fist was revealed during the summer visit of Qiao Shi, number three in the Chinese leadership and a public security expert, to Lhasa in the summer. Dissent should be "mercilessly repressed", he said. At the same time the logistics of supplying the army were re-examined and the armed police force strengthened.

If hardly anyone wants to buy anything, and money is mostly spent doing up temples, how can the 'commodity economy' develop at all?

More recently, in November, a Chinese Vice-Minister of Public Security spent eight days in Nepal discussing bilateral relations. The Tibet-Nepal border hitherto has been extremely porous, allowing many Tibetans to slip through. For the first time last autumn, the Nepalese returned a group of refugees to China, which is now likely to continue pressure for tighter control.

The velvet glove may be manifested in more money spent on the tourist industry, though already Peking already complains that yuan 1bn each year in subsidies are poured into Tibet, with little return.

Continued on next page

John Elliott profiles Guangdong province

Inseparable before 1997

"I'M OFF home now," said Danny Cheung, sales manager of a leather handbag factory in Dongguan, a thriving city in the southern Chinese province of Guangdong. He was not going home to some other part of Dongguan, but back across the Chinese border to Hong Kong, only two hours' journey by car and train.

Cheung's journey at the end of a working day illustrates the inter-dependence that has developed in the 1980s between China's prosperous mixed-economy province of Guangdong just across the border from Hong Kong. Increasingly the two areas rely economically on each other, building bonds which will make them almost inseparable long before they formally become part of the same country in 1997 when Hong Kong reverts to Chinese sovereignty.

Hong Kong dollars are widely and officially accepted instead of the domestic currency in this test-bed for China's economic reforms. Some observers estimate that as much as HK$6bn – about 20 per cent of Hong Kong's total notes and coins – are circulating in the province.

Even hotels and restaurants prepare bills for foreigners in Hong Kong dollars rather than China's Foreign Exchange Certificates. Elsewhere, much of the currency changes hands at grey and black market rates which devalue the yuan from its official rate of yuan 47 to HK$100 to as low as yuan 100.

Three of China's four Special Economic Zones, which are customs-free areas geared to foreign investment, are here in Guangdong. The most prosperous, Shenzhen, is adjacent to Hong Kong and, in effect, pushes the colony's customs barriers and entrepôt operations well into the mainland.

Cheung's company, Miao, is one of 60,000 businesses in Guangdong, mostly from Hong Kong, which use China's cheap labour and facilities to process imported materials into low-technology products such as dolls, toys, and bags. Such operations would not be economical in Hong Kong, and often would not be possible because of a serious shortage of labour. Concentrated in the Pearl River Delta, especially around the city of Dongguan, they employ at least 1m – and some Hong Kong observers estimate as many as 2m – Chinese workers.

Ding Lisong, a deputy secretary general of the Guangdong provincial government, says that this has given the Pearl Delta a floating labour population of 1m, mostly young unmarried women with an average age of 20. At least 250,000 come from other parts of China, and the remainder from elsewhere in the province.

They earn not less than yuan 350 a month, maybe rising to as much as yuan 600 with bonuses, which is far above the yuan 150 paid in State-owned enterprises. This is well below the HK$ equivalent of yuan 1,500 which the companies would have to pay for such work in Hong Kong

In addition, Guangdong has absorbed over 50 per cent of China's foreign investment in more substantial joint ventures. About 20 per cent of this comes from foreign companies in countries such as the US, France, Thailand and Singapore.

The other 80 per cent comes from Chinese people living in Hong Kong and Macao, plus a growing influx of investment from Taiwan, generally through Hong Kong because the Taiwanese are not allowed to invest directly in mainland China. This 80 per cent reflects the fact that there are 20m people from Guangdong province living abroad – 70 per cent of the total number of Overseas Chinese.

Guangdong benefits in different ways from the two sorts of investment. Dongguan alone will earn US$100m in fees and earnings from processing industries this year, according to Ding, and another US$100m will be earned by the nearby Ba'on County. But this is transitory work, using machines owned by the Overseas Chinese, which does not contribute much towards the industrial base needed by a developing country.

Guangdong

The province's joint ventures – each with at least 25 per cent foreign equity in 15-20-year agreements – earned US$350m in exports last year. Although many are in consumer areas such as hotels and drink bottling plants, there are others such as a plate glass plant with technology and management from PPG of the US, and car manufacturing with Peugeot of France will start to build an industrial base.

All this has helped Guangdong's industrial growth rate to rocket this year to 34 per cent, enlarging an almost unreal economic boom which is largely unrelated to what is happening elsewhere in China. The boom is resented both by poorer provinces in the hinterland, and by Peking politicians opposed to reform who have recently seized on Guangdong's burgeoning corruption as an excuse to slow it down.

The boom is resented both by poorer provinces in the hinterland, and by Peking politicians opposed to reform

Ding and other top officials acknowledge there are problems which have to be tackled. Inflation has risen sharply this year to an average of over 30 per cent, according to official estimates, with prices in some areas and for some commodities going up much faster. This is partly because of price reforms slashing subsidies on basic items such as lean pork. "About 80 per cent of our commodities have been fully opened to the market. Unlike other provinces which have food coupons for eggs, sugar, rice, oil and pork, we only have coupons for rice."

Wage increases this year of 20-25 per cent are leaving people with a 10 per cent drop in living standards, albeit at a considerably higher level than most other areas of the country. The province is at least 40 per cent short of the electricity power supplies it needs and there is a serious lack of raw materials which pushes up prices and then drains supplies from poorer provinces.

In response to current pressure from Peking, there have been cutbacks in non-productive investments such as hotels, government buildings and projects like new cotton plants which use up scarce local supplies. But major infrastructure projects, plus other ventures such as polyethylene plants and an oil refinery, are continuing and there are no signs of cut-backs on foreign-based industrial ventures.

Guangdong is also slowing a little on price reforms. But Ding says it has Peking's approval to go ahead next year with a dramatic two-year experimental offer of sale to individual tenants of most of the province's publicly-owned housing. Ding argues that this will help curb inflation by diverting people's money away from consumer goods such as refrigerators and television sets.

"We did have one Communist rice pot into which everyone dipped and got the same, but that made development very slow," says Ding Lisong. Now we have broken the bowl and have competition and we have very fast development."

Not everyone would agree that the Communist collective pot is actually "broken", and many officials in Peking would like to curb Guangdong's free market jamboree. Ding is too experienced a civil servant to speak openly against Peking to a foreign journalist, but it is clear that he and his colleagues do not like being curbed and intend to push ahead as fast as possible with their reforms, while avoiding too many open clashes with the capital.

- CHINA -
JOINT VENTURES

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Lynne Curry on further efforts to develop tourism

Drive to be more than just a once-only destination

THE WAR Criminal Reform Institute sits on the windswept plains outside the Manchurian coal mining centre of Fushun. It is not your average tourist destination. But it was here that Pu Yi, China's last emperor, the subject of Bernardo Bertolucci's Academy Award-winning film, was confined from 1950 until 1959 for communist re-education. And, in recent months, the Chinese authorities have turned the prison into a tourist attraction offering visitors an opportunity to spend a night in Pu Yi's cell, to try on his prison uniform, even to meet his fourth wife.

This rather unusual marketing gimmick is not unique. From kite festivals to camel caravans in Xinjiang, from rafting down the Yangtze River to trekking along Everest's base camp in Tibet, the Chinese tourist industry is actively seeking to promote the country as more than just a once-in-a-lifetime destination.

But Peking's campaign to persuade tourists to look beyond the Great Wall and the Forbidden City is proving more difficult than the Chinese anticipated. "China is not like Europe or the Caribbean," said the director of a western travel agency. "It is just too far. What China has to do now is compete with other destinations on an interest, quality, and price basis."

"China's development of tourism activity relies too heavily on the Great Wall, the Forbidden City, and the terracotta soldiers," noted a manager of a foreign joint venture hotel. "It must develop historical sites or social events such as ethnic festivals."

Moreover, among hotel managers and those in the travel industry, there is a sense that while figures are hard to obtain, China is not attracting repeat visitors to take full advantage of the country's vast, but still largely untapped tourist potential. "A repeat tourist is rare," one hotel manager said. "The Chinese have to make China so attractive a destination that people put it on their itinerary. Now, it's an experience. That's why you try it once."

In fact, the total number of tourists continues to grow, soaring nearly 139 per cent between 1986 and 1987, according to the National Tourism Administration. Much of this dramatic increase came largely from visits by Chinese from Hong Kong, Macau, and Taiwan. In the first nine months of 1988, the number of tourists rose 19.2 per cent to 23.2m over the same period last year, NTA figures showed.

More European and Scandinavian tourists have come to China in 1988 than in 1987, but the number of American and Australian visitors has fallen this year, an NTA spokeswoman said. While the weaker dollar has prompted many Americans to stay at home and the Australians have celebrated their country's bi-centennial, travel sources say these are not the only reasons a visit to China does not carry the same glamorous cachet it did in the late seventies and early eighties.

Tourism relies too heavily on the Great Wall, the Forbidden City, and the terracotta soldiers

"China's tourism industry has been growing quite well, but there are still problems," said Liu Yi, chairman of the NTA, quoted in China Tourism News, a new bi-weekly NTA publication. The level of service and difficulties in arranging transportation for travel within the country are frequently cited as the main drawbacks to touring in China.

"The greatest challenge in the whole of the country is to develop an infrastructure to create an environment for repeat tourists," said a manager of a joint venture hotel group. "With all of the airport hassles, there is still not a smooth way to get around the country. Nobody can guarantee a completely positive experience. Some parts are okay, but some parts are unacceptable."

Rudeness and discourtesy in the service sector, particularly from China International Travel Service (CITS) operators, restaurant and hotel staff and taxi drivers, is a frequently mentioned complaint. The lack of proper hygiene in public toilets has also come under attack. Poor sanitation became such an issue earlier this year that the authorities launched a drive to clean up public toilets, organising surprise visits to inspect facilities and offering awards for the city's cleanest public toilets.

But by far the worst problem facing individual tourists and those on package tours is the service offered by the country's airline, the Civil Aviation Administration of China (CAAC). It is virtually impossible to make onward bookings from an outward bound destination until a traveller arrives in his or or her city. The only exceptions are if a visitor already has contacts who can make the necessary reservations in the city or if bookings are made by a Chinese travel agent, who normally charges a hefty commission.

"The biggest difficulty as far as the independent traveller is concerned is the inability of CAAC to book multi-sector flights," said the director of one western travel agency. "The inability to make reservations is more the norm than the exception."

In addition, CAAC is notorious for its unexplained delays of hours or even days, as well as shortages of flights during the autumn and spring peak seasons to major tourist destinations. Flights to Xian, the site of the terracotta warriors, are a particularly bad problem. Travellers are also often told tickets to major cities are sold out when they are not. CAAC reportedly makes "phantom" bookings to reserve seats in case party or government officials suddenly decide to catch a flight to another city.

With the tremendous increase in the number of tourists, CAAC's problems have become so acute that one hotel manager noted, "if the government is not able to improve transportation, it will not be able to build up tourism as planned."

In addition, travel sources said historical sights throughout the country have not yet been developed, and the Chinese are finding it difficult to work out how best to promote what the nation does have to offer. "There are a lot of interesting things here," the director of a travel agency said. "But the Chinese don't know how to market themselves. They don't have the sophistication of other destinations in terms of marketing. The bureaucracy is not equal to the task."

The Chinese tourism industry generated approximately $1.84bn last year, a 20.5 per cent increase over 1986, according to the National Tourism Administration. The country is expected to earn about $2bn this year. This is far less than travel sources believe potential earnings could be. Moreover, the Chinese tourism industry is highly fragmented. China International Travel Service, China Travel Service, China Youth Travel Service, and China Sports Travel Service are only some of the groups now competing for business.

The Chinese are, however, keenly aware of their shortcomings and determined to improve the situation. Indeed, the standard of service has improved since the first joint venture hotels were opened in China in the mid-1980s. Despite the government's recent call for a cutback in hotel projects in major cities, a glut of hotel rooms by the early 1990s is likely to result in greater competition, better service and lower prices for tourists, according to hotel managers.

THE ARTS

Struggle to pay the way

FOR THE Chinese cultural world 1988 started out with Hu Qili, the Politburo's new ideological hitman, warning artists and writers that they were free to go about their business of writing for the economic reforms, but if they got out of hand again and indulged in "bourgeois liberalisation" (ie failed to follow closely the erratic changes in Party policy) then "we in the Centre will have to concentrate our energies on dealing with you".

Not that he really had to warn anyone. In the months of economic over-heating, inflation and political shadow-boxing overseen by Zhao Ziyang and the dyspeptic Deng Xiaoping that followed, even artists and writers, the privileged agit-propagandists of the "new age" who have been suckled comfortably by the state since the communist takeover, have had to concentrate all their energies on making ends meet.

China's Culture Minister, Wang Meng, who has presided over a cautious and partial relaxation of policy in the last two years

Art these days is not so much directed at the "masses" but by mass consumers. What they want is bread and circuses. Love stories, kung-fu nasties, detective novels and as much sex as the authorities will allow are what they crave. Therefore, the publishing industry, which is supposed to earn money for itself, has little time for serious literature, and recently, established authors have even been known to pay to be published.

The state is careful to keep an eye out for excesses in popular culture though, and when, during the summer Deng suggested that the way to stop pornographers might be to shoot a few editors, there was a momentary panic. However, the Chinese are used to the old man's pique; after all, this years anti-porn (*saohuang*) purge was the eighth in three years.

Internationally, Chinese cinema has maintained a high profile. Zhang Yimou's Red Sorghum – a rather clumsy paean to the lumpen prole spirit of Chinese mateship and male chauvinism – was a critical success overseas and, unusual for a work by a younger art film director, it did well at the local box-office. But then again, this was no art movie. After Zhang's dollars-and-cents success, film *cognoscenti* are awaiting a new crop of commercial movies from the country's other leading art film directors.

Everyone has to make money and even Tian Zhuangzhuang, the creator of Horse Thief, an artful avant-garde film set in Tibet, has gone commercial. His latest film, Youngster's Rock, a Chinese "break dance", will première in early 1989. This is definitely something new for the director who, when responding to queries as to why audiences in China found his idiosyncratic work inaccessible, said he was making films for the 21st century.

Television, on the other hand, surprised everyone by screening the six-part documentary, River Elegy (*He Shang*). River Elegy shocked and delighted an estimated 600m viewers by debunking some of China's most precious totems such as the Great Wall ("the xenophobic defence of a land-locked people"); the dragon ("symbol of inhumanity"); and the Yellow River ("as erratic as Chinese politics"). The series' ideological bottom line, however, is the Open Door policy. Still, one old army man, Wang Zhen, Vice President, was so infuriated by the series that he tried to get Deng, a close comrade-in-arms, to start a new cultural purge. The Politburo, however, is anxious not to exacerbate the already highly-charged atmosphere caused by economic uncertainty, and Wang reportedly was chastised for his outburst.

The literary scene – fiction, prose, poetry – formerly the focus of innovation, has been in the doldrums for the last two years. It simply does not pay to produce high-brow or even middle-brow literature. Leading literary stars, drawn by the lure of hard currency royalties, keep an eye on the international market, but then few people in China can get excited about stories mostly written for foreigners. Bloody Sunset, Lao Guh's poorly-written though vivid autobiographical record of the Cultural revolution was one of the few noted local success stories. But other products of China's antiseptic "dirty literature" can hardly raise an eyebrow anymore.

Samizdat poetry journals and anthologies continue to proliferate, and in the salons of the diplomats, foreign journalists and business people of Peking and Shanghai, the jejune Chinese glitterati vie to be discovered and exported. Open dissent is impossible, and when the laws of the economy rule, covert dissent does not pay or does not pay enough. Perhaps this is why so many of the 1978-81 generation of ex-Red Guard or Democracy Wall writers and artists have moved overseas.

Rock music has finally come into its own this year. In July, the People's Daily, the paper which once denounced Debussy for being bourgeois and jazz as pornographic, printed an article praising Cui Jian the Peking rock singer-composer whose songs, The New Long March, and Nothing to my Name have made him a star. "Somehow he expresses the sense of loss and uncertainty that so many people feel today," went the review, giving a green light to rock.

In November, Hu Qili congratulated China's cultural world at the Fifth Writers' and Artists' Congress. Unlike an earlier meeting of writers in January 1985 when he encouraged "creative freedom", this time around caution was the watchword, and the intractable Four Basic Principles (socialism, Party leadership, proletarian dictatorship and the primacy of Marxism-Leninism and Mao Thought) were high on the agenda. Some delegates simply stayed at home.

It has been the Year of the Dragon, after all, according to tradition a period of disaster and change. Last time around (1976) it was a year of mixed blessings. Zhou Enlai and Mao Zedong died, then the Gang of Four was arrested and the calamitous Cultural Revolution ended. This year there have been devastating fires, plane and train disasters, and some of the remaining great figures of Chinese letters such as the novelists Shen Congwen and Ye Shengtao have died. On the credit side, well there ares still two months until the end of the lunar year.

Geremie Barmé

Iron and velvet

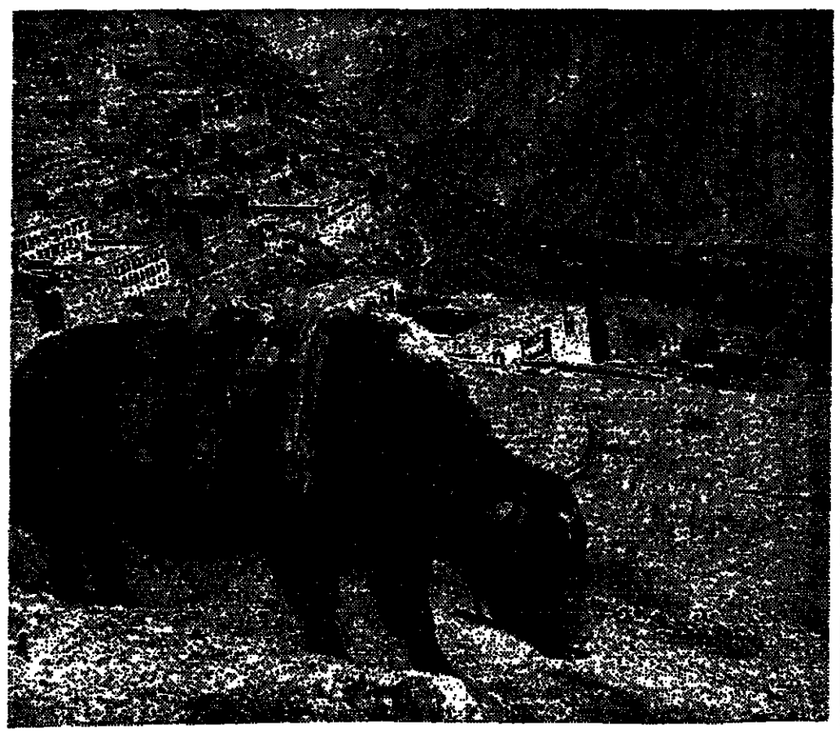
Continued from previous page

Most of this seems to go on supporting the immigrant Chinese community (now officially said to number around 70,000 but undoubtedly much more), which needs apartment blocks, hospitals, schools, restaurants, cinemas and, above all, something resembling a Chinese diet.

Chinese economists express frustration at the problems of interesting the deeply religious Tibetans in the current Peking buzzword, the "commodity economy". Tibetans do not want bowls, chopsticks, enamel basins, or even vegetables and fish, all so essential to the Chinese way of life. If hardly anyone wants to buy anything, and money is mostly spent doing up temples, how can the economy develop at all?

The Chinese think they have found an answer, which is tourism. Not only will foreigners pay ridiculous sums to visit this uncouth and uncomfortable region, but they bring in a breath of the outside world. In fact, it is now possible to see in Lhasa Tibetans in stone-washed jeans clustering around the audiotape stalls set out in the Barkhor, the pilgrim circuit surrounding the Jokhang temple.

For a successful tourist industry, outward peace is necessary, so some accommodation is needed with the locals and with the Dalai Lama. But Peking is unlikely to give very much away on an issue so important to national pride and security.



Above: Tibetan families on pilgrimage to the Jokhang.
Below: yaks browse in the ruined monastery, Ganden

AT SHERATON LITTLE THINGS MEAN A LOT · AT SHERATON LITTLE THINGS MEAN A LOT · AT SHERATON

IN CHINA, IT HELPS TO HAVE A BELLBOY WHOS FATHER HAS A BROTHER-IN-LAW WHO KNOWS A MAN WHOS NEXT DOOR NEIGHBOUR RUNS A WIDGET FACTORY.

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He helped our guest go through the telephone directory (decidedly difficult if you don't read chinese), calling some likely numbers.

All to no avail.

The next morning, Mr. Wei called our guest to say that his father knew a man who could help.

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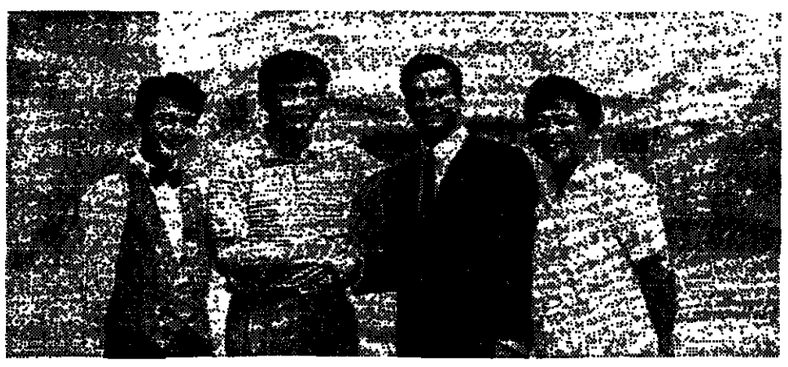

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BUSINESS TRAVELLER'S GUIDE

BUSINESS with China requires perseverance and patience. Going it alone is not a good idea: even 10 years after reform, the network of agents, distributors and dealers remains small, and a joint venture partner is the best way to negotiate the pitfalls.

As one experienced hand put it: "the Chinese system is a bureaucracy in which the critical art is to avoid responsibility." This may seem at odds with what is basically an authoritarian structure, but it is the way the place works.

Initial information can be obtained from trade offices in your home country, or via the large number of agents operating out of Hong Kong. In China itself, a good starting point, depending on your field of interest, is one of the trading corporations under the Ministry of Foreign Economic Relations and Trade headquartered in Peking.

If you want to deal with a specific region or factory it is best to contact provincial organisations direct, particularly if the amount involved is not huge. As a rule, small scale exports or investments are handled by the local authorities, with central approval needed for larger deals. Because the Chinese bureaucracy is not well co-ordinated horizontally, it is often not possible to get guidance from middle-ranking officials, which makes the need for personal contact with the actual unit or local administration that will be handling the manufacture, investment or whatever the business entails.

Devolution of authority, especially in the southern coastal region close to Hong Kong where business practices are more sophisticated, has given local groups the power to sign export agreements and investment contracts. This is undergoing some revision due to central government fears about what it sees as uncontrolled, inflationary growth, but is unlikely to alter substantially.

The leadership has said the current restraints, mainly on luxury hotels and other "non-productive investment", will not effect either those projects already under way, or the spirit of co-operation with foreign capital that has marked China's recent economic policy.

As first contact is usually made through a letter, it is a good idea to compose a complete and technical presentation in simple English, with reference to company size and experience. If a firm is willing to consider payment other than cash, say in barter or deferred payment, this could be a major selling point, since China remains short of foreign currency.

Multiple copies and follow-up letters are useful, and any correspondence in Chinese should be done by specialists. Advertising and consultancy services are now available in the larger cities like Peking and Shanghai, though not always at the level foreigners might expect.

Bear in mind that while domestic demand is huge, disposable capital is not, resulting in a correspondingly limited market for imported goods. Advertising can be done via Chinese television, the more than 40 daily newspapers, radio (the most powerful medium), magazines, billboards or direct mail.

Because Chinese officials tend to rely on personal contact, a broad network of introductions is useful. The numerous trade fairs and exhibitions are one way of making contacts, as are the growing range of technical seminars now being staged in capital cities.

A reference that many business people find helpful is Chinese Commercial Negotiating Style, by Lucian Pye which, though dealing mainly with US firms and published in 1982, is still relevant.

It is no use trying to put everything in a legal contract – Chinese officials like to keep the protocol fluid. The thing to remember, according to the representative of a large multinational who has been living and working in China for 10 years, is "it may seem like there is no way to do a deal, but in China there is always a way. That is the beauty of the system, when you know how to work in it."

Before 1979 China had no commercial law and trade was based on trust; now there is a code for foreign companies doing business in China, but it is far from comprehensive or rigidly applied. Trade contracts are usually written in Chinese and English, with the Chinese version prevailing in a dispute.

China has a patent law, and a patent office has been set up under the state economic commission to protect foreign patents from pirating.

China also has tax laws, though these seem to apply more stringently to foreigners than locals and are implemented fairly arbitrarily in the provinces where it is not uncommon for tax liability for Chinese enterprises to be negotiated, rather than enforced.

The door is still wide open to foreign capital which usually means an equity joint venture in which the foreign partner's investment is no less than 25 per cent with profits, losses and risks shared. In contractual joint ventures the Chinese provide the land, natural resources, labour services and materials, and the foreigners, the capital, technology and key equipment. Liabilities and obligations of both parties are set out in the agreement.

It is now easy to have a foreign currency bank account in China and in the larger cities a Bank of China Mastercard is available for business use.

Accommodation, particularly in Peking, Shanghai and Guangzhou is plentiful at the top end of the market and likely to become more so with half a dozen international class hotels due to open by the end of 1989 in Peking alone. Prices at this end of the market are comparable with western luxury hotels, though service is not.

In Peking business people tend to stay at the centrally located Jianguo hotel, the Sheraton Great Wall Hotel, the Shangrila (not so central but decidedly up market), or the Lido, near the airport. Bookings can be made directly through a travel agent, a Chinese contact, or through the government department sponsoring your visit.

Permanent accommodation in Peking is at the moment hard to find and extremely expensive. Some large companies have located their offices in major hotels where rents can easily be $200 a day. Similarly, phone and telex lines can be difficult to obtain quickly.

Taxis are readily available to foreigners at the large luxury hotels, with an across-town trip worth about yuan 20, and the drive in from the airport costing about yuan 40.

It is impossible to hire a car in the Hertz sense of the term, though hire cars with drivers can be had at the big hotels.

Interpreters can be employed in the big cities, either through China International Travel Service, or via the government's translation services. But when dealing with one of the big Chinese enterprises like China International Trust and Investment Corporation (Citic), interpreters are usually provided.

Peter Ellingsen

KEY FACTS

Climate: Varies considerably from north to south. In the north there are extremes of temperature, ranging from -15 °C (Jan) to 40°C (Jul-Aug), with possible dust storms in Apr-May and most rainfall and humidity in Jul-Aug. In the south, the climate is sub-tropical, quite warm until the end of October.

Entry requirements
Passport: Required by all.
Visa: Visas are required by all, and are generally arranged for business visitors by a host organisation in China. Tourist visas are also available.

Health precautions
Mandatory: Vaccination certificates required for cholera or smallpox if travelling from an infected area.
Advisable: Anti-malarial precautions. There are occasional outbreaks of cholera in southern China.
Gamma globulin recommended against hepatitis.

Hotels: There is a shortage of accommodation in peak seasons, and visitors often complain about low standards, service, the plumbing and the occasional mice. The main hotels in major cities are of a reasonable standard, but most hotels are frugal, often with fixed-time, fixed-menu meals and even cold water only during certain hours in the evening and morning. Sharing rooms is to be expected. This problem should ease as new state hotels are completed.

Credit cards: Credit cards are all but unknown, although international-standard hotels and restaurants may accept major cards such as American Express, Visa or Mastercharge.

City transport
Taxis: Taxi service is available in all major cities. It can be difficult to find a taxi except at hotels, and it is likely to be time-consuming. Metered taxis may be hailed in the street in Guangzhou and Shenzhen. Taxis hired by the day charge on the basis of distance travelled and waiting time. If possible, it is best to retain a taxi until returning to the hotel, paying the driver a small waiting fee during appointments or meals. Tipping is not practised.

National transport
Air: CAAC provides regular services between the major cities, with first-class service on some routes. Flights are always overbooked and seats should be confirmed as a matter of course.
Allow plenty of time for inevitable and often prolonged delays in services. Airport announcements are not multilingual.

Public holidays
Fixed dates: 1 Jan; 1 May; 1-2 Oct, National Day.
Variable dates: Chinese New Year (up to 3 days)

Social customs: Tipping is never practised, although it is courteous to thanks hotel and restaurant staff for their services. It is customary to present a business card. Taiwan (Formosa) is considered a province of China, and should not be referred to as a country.

Banking
Central bank: People's Bank of China.
Foreign exchange bank: Bank of China.

Advertising: Advertisements may be placed in the daily press, on TV and on radio. Outdoor advertising may be used in certain urban sites. Contact the Ministry of Foreign Economic Relations and Trade.

Official title	**People's Republic of China**
Head of state	**State President Yang Shangkun**
Head of government	**Premier of the State Council, Li Peng**
Ruling party	**Communist Party of China**
Chairman of the Military Commission	**Deng Xiaoping**
General Secretary	**Zhao Ziyang**
Capital	**Peking (Beijing)**
Official language	**Putonghua (Mandarin Chinese)**
Currency	**£1 = yuan 6.5**

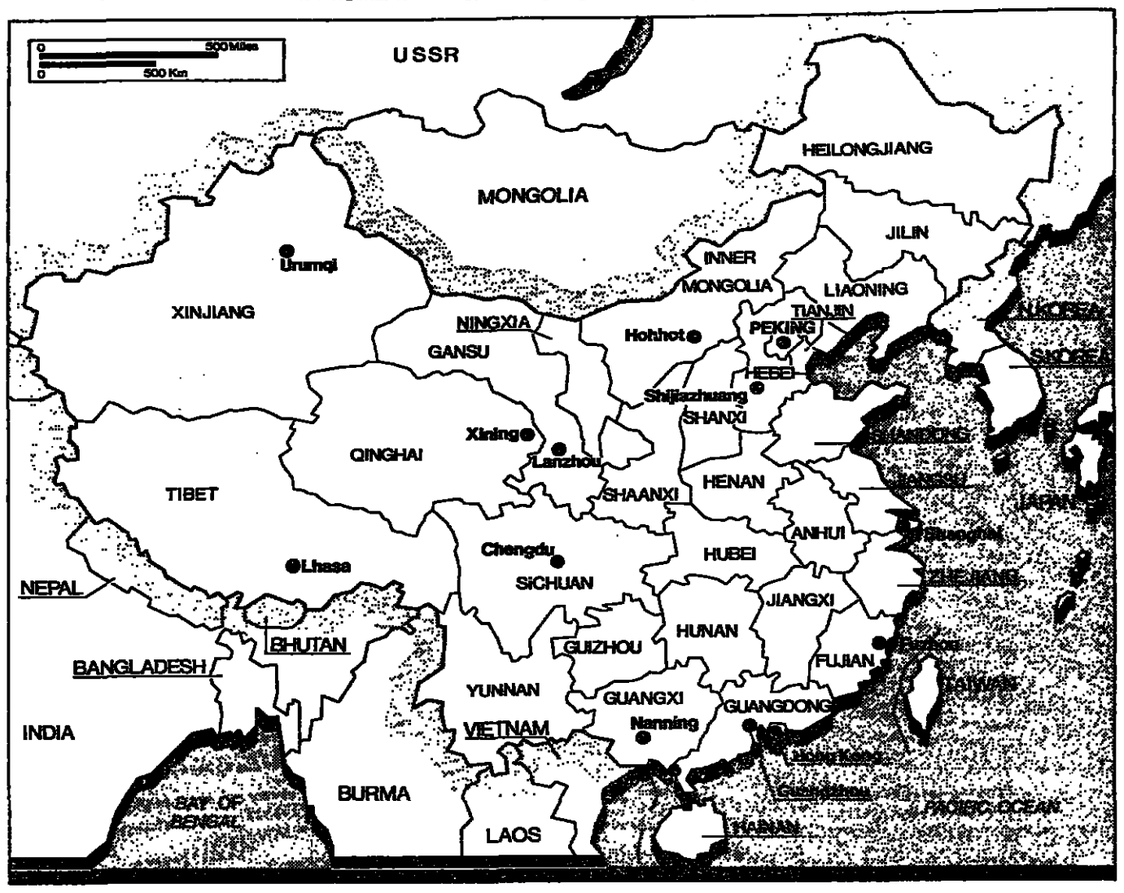
Electricity supply: 220V AC 50 cycles, with 2- or 3-pin flat plug fittings, with 2-pin round as well in some hotels, and mostly screw-type light bulb fittings.

Hotels: Peking
Great Wall Sheraton, North Donghuan Road No 6 (tel: 505566; tx: 22005; cable: 5864)
Holiday Inn Lido, Jichang Road, Jiangtai Road (tel: 500688; tx: 22618).
Jianguo, Jianguomenwai Da Jie (tel: 502233, 595261; tx: 22439; cable; 6677).

Business advice and information
China Council for the Promotion of International Trade, Fuxingmenwai Dajie (tel: 662835, 507766 ext 7107; tx: 22315 CCPIT CN; cable: COMTRADE BEIJING).
China International Trust and Investment Corporation, 2 Qianmen Dong Dajie, 14th floor, PO Box 6200, Peking (tel: 757181; tx: 22305 CITIC CN; cable: 0207).

Travel information
China International Travel Service, Dong Changan Jie, Peking (tel: 554192, 755874; tx: 22350).

Information supplied by World of Information, 21 Gold Street, Saffron Walden, Essex CB10 1EJ, UK



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